

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2023

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

(State or other jurisdiction of
incorporation or organization)

04-2652826

(I.R.S. Employer
Identification No.)

14 Norfolk Avenue

South Easton, Massachusetts

(Address of principal executive offices)

02375

(Zip Code)

(508) 230-1828

(Registrant's telephone number, including area code)

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

Title of each class

N/A

Trading Symbol(s)

N/A

Name of each exchange on which registered

N/A

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.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§32.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated Filer

Smaller Reporting Company

Emerging Growth Company

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 No

The number of shares outstanding of the Issuer's common stock as of November 10, 2023 was 21,726,433.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

**PRESSURE BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

ASSETS	September 30, 2023	December 31, 2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,263	\$ 3,865
Accounts receivable	329,263	295,374
Inventories, net of \$905,759 and \$982,973 reserve, respectively	467,155	686,383
Prepaid expenses and other current assets	219,283	257,527
Total current assets	1,020,964	1,243,149
Investment in equity securities	77,918	63,638
Property and equipment, net	91,409	103,351
Right of use asset operating leases	159,424	282,095
Intangible assets, net	252,404	317,308
TOTAL ASSETS	\$ 1,602,119	\$ 2,009,541
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 1,062,565	\$ 637,238
Accrued employee compensation	376,760	167,247
Accrued professional fees and other	2,722,666	2,497,762
Accrued interest and dividends payable	4,576,350	10,803,983
Deferred revenue	253,152	58,242
Convertible debt, net of unamortized debt discounts of \$744,393 and \$455,517, respectively	18,222,120	17,823,669
Other debt, net of unamortized discounts of \$0 and \$0, respectively	2,030,510	1,638,969
Related party, net of unamortized debt discount of \$514 and \$7,915, respectively	647,986	634,885
Right of use operating lease liability	66,259	142,171
Total current liabilities	29,958,368	34,404,166
LONG TERM LIABILITIES		
Long term debt	162,522	150,000
Right of use operating lease liability long term	71,287	139,924
Deferred revenue	10,645	1,822
TOTAL LONG TERM LIABILITIES	244,454	291,746
TOTAL LIABILITIES	30,202,822	34,695,912
COMMITMENTS AND CONTINGENCIES (Note 4)		
STOCKHOLDERS' DEFICIT		
Series D, G, H, H2, J, K, AA, BB, CC Convertible Preferred Stock, \$.01 par value (Note 6)	100	1,098
Common stock, \$.01 par value; 100,000,000 shares authorized; 23,399,945 and 13,682,910 shares issued and outstanding on September 30, 2023 and December 31, 2022, respectively	234,000	136,829
Warrants to acquire common stock	35,684,321	31,995,762
Additional paid-in capital	93,973,646	69,006,145
Accumulated deficit	(158,492,770)	(133,826,205)
TOTAL STOCKHOLDERS' DEFICIT	(28,600,703)	(32,686,371)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 1,602,119	\$ 2,009,541

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

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Revenue:				
Products, services, other	\$ 413,009	\$ 144,032	\$ 1,665,412	\$ 1,122,169
Total revenue	413,009	144,032	1,665,412	1,122,169
Costs and expenses:				
Cost of products and services	229,457	126,203	844,684	742,707
Research and development	288,345	262,370	1,004,437	716,685
Selling and marketing	157,773	226,526	537,802	422,422
General and administrative	1,030,243	892,293	5,290,564	2,591,644
Total operating costs	1,705,818	1,507,392	7,677,487	4,473,458
Operating loss	(1,292,809)	(1,363,360)	(6,012,075)	(3,351,289)
Other (expense) income:				
Interest expense, net	(4,338,759)	(2,034,021)	(14,112,098)	(6,448,771)
Unrealized gain (loss) on investment in equity securities	(5,965)	(8,675)	14,280	(8,047)
Gain (loss) on extinguishment of liabilities	-	(1,054,122)	687,591	(1,809,249)
Other income (expense)	7,588	(2,059)	11,820	(904)
Total other expense	(4,337,136)	(3,098,877)	(13,398,407)	(8,266,971)
Net loss	(5,629,945)	(4,462,237)	(19,410,482)	(11,618,260)
Deemed dividends on extension of warrants	-	-	(3,626,950)	-
Preferred stock dividends	(632,054)	(431,709)	(1,629,133)	(1,295,566)
Net loss attributable to common shareholders	\$ (6,261,999)	\$ (4,893,946)	\$ (24,666,565)	\$ (12,913,826)
Basic and diluted net loss per share attributable to common shareholders	\$ (0.29)	\$ (0.44)	\$ (1.21)	\$ (1.24)
Weighted average common shares outstanding used in the basic and diluted net loss per share calculation	21,716,950	11,131,742	20,337,229	10,429,817

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

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

	For the Nine Months Ended	
	September 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (19,410,482)	\$ (11,618,260)
Adjustments to reconcile net loss to net cash used in operating activities:		
(Gain) on extinguishment of debt	(687,591)	(10,000)
Non-cash lease expense	122,671	82,001
Common stock and warrants issued for interest	3,715,204	2,196,278
Depreciation and amortization	84,341	67,985
Accretion of interest and amortization of debt discount	3,213,622	1,777,863
Loss on extinguishment of accrued liabilities and debt	-	1,809,249
Common stock and warrants issued for debt extension	1,671,573	-
Preferred stock issued for debt extension	2,683,600	-
Stock-based compensation expense	1,706,420	128,984
(Gain)/Loss on investment in equity securities	(14,280)	8,047
Common stock and warrants issued for services	1,978,645	367,370
Preferred stock issued for services	617,200	-
Changes in operating assets and liabilities:		
Accounts receivable	(33,889)	(11,568)
Inventories	219,228	(238,973)
Prepaid expenses and other assets	38,244	204,141
Accounts payable	425,327	80,130
Accrued employee compensation	209,513	104,258
Operating lease liability	(144,549)	(82,001)
Deferred revenue and other accrued expenses	1,551,380	2,083,239
Net cash used in operating activities	<u>(2,053,823)</u>	<u>(3,051,257)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property plant and equipment	(7,495)	(20,754)
Net cash used in investing activities	<u>(7,495)</u>	<u>(20,754)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Sale of common stock for cash	150,000	-
Proceeds from stock option exercises	81,111	17,443
Net proceeds from convertible debt	4,336,665	3,428,249
Net proceeds from non-convertible debt - third party	2,043,681	1,815,000
Net proceeds from debt - related party	159,186	762,500
Payments on convertible debt	(2,462,269)	(1,086,946)
Payments on debt - related party	(159,000)	(259,600)
Payments on non-convertible debt	(2,086,658)	(1,506,066)
Net cash provided by financing activities	<u>2,062,716</u>	<u>3,170,580</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,398	98,569
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,865	132,311
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 5,263</u>	<u>\$ 230,880</u>

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

	For the Nine Months Ended September 30,	
	2023	2022
CASH FLOWS SUPPLEMENTAL INFORMATION		
Interest paid in cash	\$ 1,219,038	\$ 938,451
NON CASH TRANSACTIONS:		
Early adoption of ASU 2020-06	-	473,027
Common stock issued with debt	1,293,270	512,593
Discount from warrants issued with debt	-	93,576
Common stock issued in lieu of cash for dividend	162,528	306,333
Preferred stock issued with debt	539,487	-
Preferred stock dividends	1,629,133	1,295,566
Conversion of preferred stock for common stock	14,869	44
Conversion of debt, interest, preferred stock dividend for preferred stock	10,017,212	-
Conversion of debt and interest into common stock	509,033	350,500
Conversion of common stock for preferred stock	6,240	-
Extension of warrants for Series AA preferred stock	3,626,950	-

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

PRESSURE BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022
(UNAUDITED)

	Combined Preferred Stock		Common Stock		Stock Warrants	Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
BALANCE, December 31, 2022	109,874	\$ 1,098	13,682,910	\$ 136,829	\$ 31,995,762	\$ 69,006,145	\$ (133,826,205)	\$ (32,686,371)
Stock option exercise	-	-	117,552	1,176	-	79,935	-	81,111
Stock-based compensation	-	-	-	-	-	1,430,244	-	1,430,244
Series AA Preferred Stock dividend	-	-	-	-	-	-	(431,807)	(431,807)
Issuance of common stock for services	-	-	990,500	9,905	-	1,409,430	-	1,419,335
Issuance of common stock warrants for services	-	-	-	-	61,609	-	-	61,609
Conversion of debt and interest for common stock	-	-	203,613	2,036	-	506,997	-	509,033
Issuance of common stock for dividends paid-in-kind	-	-	73,694	737	-	101,698	-	102,435
Issuance of common stock for interest paid-in-kind	-	-	1,111,081	11,111	-	1,694,123	-	1,705,234
Common stock issued for debt extension	-	-	568,200	5,682	-	1,024,257	-	1,029,939
Stock issued with debt	-	-	783,150	7,832	-	1,079,919	-	1,087,751
Conversion of preferred stock for common stock	(101,154)	(1,012)	493,540	4,935	-	(3,923)	-	-
Sale of Common Stock	-	-	40,000	400	-	99,600	-	100,000
Net loss	-	-	-	-	-	-	(6,857,834)	(6,857,834)
Balance, March 31, 2023	8,720	\$ 86	18,064,240	\$ 180,643	\$ 32,057,371	\$ 76,428,425	\$ (141,115,846)	\$ (32,449,321)
Series AA/CC Preferred Stock dividend	-	-	-	-	-	-	(565,272)	(565,272)
Stock-based compensation	-	-	-	-	-	135,554	-	135,554
Issuance of common stock for services	-	-	147,500	1,475	-	170,925	-	172,400
Extension of warrants for Series AA Preferred stock	-	-	-	-	3,626,950	-	(3,626,950)	-
Common stock issued for debt extension	-	-	528,600	5,286	-	486,348	-	491,634
Conversion of preferred stock for common stock	(44)	-	44,400	444	-	(444)	-	-
Conversion of debt, accrued interest and accrued dividend for preferred stock	401	4	-	-	-	10,017,208	-	10,017,212
Conversion of common stock to preferred stock	62	1	(624,000)	(6,240)	-	6,239	-	-
Issuance of common stock for dividends paid-in-kind	-	-	69,073	690	-	59,403	-	60,093
Issuance of common stock for interest paid-in-kind	-	-	1,034,000	10,340	-	1,286,106	-	1,296,446
Stock issued with debt	-	-	302,092	3,021	-	153,653	-	156,674
Sale of Common Stock	-	-	20,000	200	-	49,800	-	50,000
Issuance of preferred stock for services	57	1	-	-	-	505,699	-	505,700
Issuance of Preferred stock for debt extension	185	2	-	-	-	1,396,998	-	1,397,000
Preferred stock issued with debt	58	1	-	-	-	539,486	-	539,487
Net loss	-	-	-	-	-	-	(6,922,703)	(6,922,703)
BALANCE, June 30, 2023	9,439	\$ 95	19,585,905	\$ 195,859	\$ 35,684,321	\$ 91,235,400	\$ (152,230,771)	\$ (25,115,096)
Stock-based compensation	-	-	-	-	-	140,622	-	140,622
Series AA/CC Preferred Stock dividend	-	-	-	-	-	-	(632,054)	(632,054)
Issuance of common stock for services	-	-	492,500	4,926	-	320,375	-	325,301
Common stock issued for debt extension	-	-	250,000	2,500	-	147,500	-	150,000
Conversion of preferred stock for common stock	(95)	(1)	949,000	9,490	-	(9,489)	-	-
Issuance of common stock for interest paid-in-kind	-	-	1,949,040	19,490	-	694,034	-	713,524
Stock issued with debt	-	-	173,500	1,735	-	47,110	-	48,845
Issuance of preferred stock for services	35	-	-	-	-	111,500	-	111,500
Issuance of Preferred stock for debt extension	556	6	-	-	-	1,286,594	-	1,286,600
Net loss	-	-	-	-	-	-	(5,629,945)	(5,629,945)
BALANCE, September 30, 2023	9,935	\$ 100	23,399,945	\$ 234,000	\$ 35,684,321	\$ 93,973,646	\$ (158,492,770)	\$ (28,600,703)

	Combined Preferred Stock		Common Stock		Stock Warrants	Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
BALANCE, December 31, 2021	109,878	\$ 1,099	9,120,526	\$ 91,206	\$31,715,154	\$ 64,261,048	\$ (118,277,468)	\$ (22,208,961)
Early adoption of ASU 2020-06	-	-	-	-	-	(2,728,243)	2,255,216	(473,027)
Stock-based compensation	-	-	-	-	-	64,483	-	64,483
Series AA Preferred Stock dividend	-	-	-	-	-	-	(432,149)	(432,149)
Issuance of common stock for services	-	-	37,000	370	-	77,330	-	77,700
Issuance of common stock warrants for services	-	-	-	-	39,761	-	-	39,761
Warrants issued for debt extension	-	-	-	-	132,537	-	-	132,537
Common stock issued for debt extension	-	-	214,500	2,145	-	470,755	-	472,900
Conversion of debt and interest for common stock	-	-	140,200	1,402	-	349,098	-	350,500
Issuance of common stock for dividends paid-in-kind	-	-	31,810	318	-	63,938	-	64,256
Issuance of common stock for interest paid-in-kind	-	-	558,100	5,581	-	1,167,877	-	1,173,458
Stock issued with debt	-	-	92,000	920	-	141,560	-	142,480
Warrants issued with debt	-	-	-	-	87,436	-	-	87,436
Net loss	-	-	-	-	-	-	(4,239,685)	(4,239,685)
BALANCE, March 31, 2022	109,878	\$ 1,099	10,194,136	\$ 101,942	\$31,974,888	\$ 63,867,846	\$ (120,694,086)	\$ (24,748,311)
Stock-based compensation	-	-	-	-	-	32,074	-	32,074
Stock option exercise	-	-	25,279	253	-	17,190	-	17,443
Series AA Preferred Stock dividend	-	-	-	-	-	-	(431,708)	(431,708)
Issuance of common stock for services	-	-	40,000	400	-	67,400	-	67,800
Common stock issued for debt extension	-	-	106,400	1,064	-	190,239	-	191,303
Conversion of preferred stock for common stock	(4)	(1)	4,400	44	-	(43)	-	-
Issuance of common stock for dividends paid-in-kind	-	-	86,464	865	-	150,156	-	151,021
Issuance of common stock for interest paid-in-kind	-	-	224,500	2,245	-	386,270	-	388,515
Stock issued with debt	-	-	22,000	220	-	35,628	-	35,848
Net loss	-	-	-	-	-	-	(2,916,338)	(2,916,338)
BALANCE, June 30, 2022	109,874	\$ 1,098	10,703,179	\$ 107,033	\$31,974,888	\$ 64,746,760	\$ (124,042,132)	\$ (27,212,353)
Stock-based compensation	-	-	-	-	-	32,427	-	32,427
Issuance of common stock for interest paid-in-kind	-	-	389,500	3,895	-	630,410	-	634,305
Issuance of common stock for dividends paid-in-kind	-	-	52,032	520	-	90,536	-	91,056
Issuance of common stock for services	-	-	113,500	1,135	-	166,240	-	167,375
Series AA Preferred Stock dividend	-	-	-	-	-	-	(431,709)	(431,709)
Common stock issued for debt extension	-	-	707,900	7,079	-	1,043,396	-	1,050,475
Warrants issued for services	-	-	-	-	14,734	-	-	14,734
Stock issued with debt	-	-	254,500	2,545	-	331,720	-	334,265
Stock warrants issued	-	-	-	-	6,140	-	-	6,140
Net loss	-	-	-	-	-	-	(4,462,237)	(4,462,237)
BALANCE, September 30, 2022	109,874	\$ 1,098	12,220,611	\$ 122,207	\$31,995,762	\$ 67,041,489	\$ (128,936,078)	\$ (29,775,522)

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

PRESSURE BIOSCIENCES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023
(UNAUDITED)

1) Business Overview, Liquidity and Management Plans

Pressure BioSciences, Inc. (OTCQB: PBIO) (the “Company”) is a leader in the development & sale of innovative, enabling, high pressure technology-based instruments, consumables, and services for the life sciences and other industries worldwide. Our products/services are based on three patented, high-pressure platforms: (i) Ultra Shear Technology™ (“UltraShear™” or “UST™”), (ii) BaroFold Technology™ (“BaroFold™”), and (iii) Pressure Cycling Technology™ (“PCT™”)

The Company was founded on the belief that its PCT platform had the potential to significantly increase the quality of sample preparation in both research and clinical settings. This premise has been well proven and PBI has been successful in installing its PCT platform in the laboratories of key opinion leaders worldwide. Although developed subsequently, the Company now assesses that the commercial potential for its UST platform across diverse multi-billion-dollar markets far exceeds the potential of the PCT platform. Consequently, in January 2022, PBI made the critical strategy decision to immediately shift its primary business focus from PCT to its innovative UST Platform.

The UST Platform (8 issued patents) is based on the use of intense shear forces from ultra-high-pressure discharge (greater than 20,000 psi) through a dynamically controlled nano-gap valve under precisely controlled temperatures. UST has been shown to turn hydrophobic (water-repelling) oil-based supplements (e.g., CBD, curcumin, astaxanthin), therapeutics (e.g., prednisone), and other active ingredients (e.g., retinol) into long-term stable, effectively water-soluble, highly bioavailable, oil-in-water nanoemulsion formulations. The Company first introduced the UST Platform in May 2022 through participation in several cannabis/health & wellness meetings combined with a free-sample program. Executed agreements were subsequently announced with six CBD companies and one cosmeceutical/skincare company for full commercialization in Q3 2023. The Company began shipping Nano CBD topical spray on October 2, 2023.

The BaroFold Platform (14 issued patents) can be used to significantly improve the quality and production costs of protein biotherapeutics. It employs high pressure manipulations for the disaggregation, unfolding and controlled refolding of proteins to their desired native structures at yields and efficiencies not achievable using existing technologies. The BaroFold Platform has been shown to remove protein aggregates in biotherapeutic drug manufacturing, thereby improving product efficacy, safety, and cost for both new-drug entities and biosimilar (follow-on biologic) products. It is scalable and practical for standard manufacturing processes.

The PCT Platform (17 issued patents) uses alternating cycles of hydrostatic pressure between ambient and ultra-high pressures to control bio-molecular interactions safely and reproducibly in sample preparation (e.g., the critical steps performed by tens of thousands of scientists worldwide prior to analytical measurements, such as cell lysis and biomolecule extraction from tissue samples). Our focus for PCT is on making, GMP-compliant, next generation PCT-based Barocycler EXTREME system available globally to biopharmaceutical drug manufacturers for use in the design, development, characterization, and quality control of biotherapeutic drugs. We currently have over 350 PCT Systems placed in approximately 250 academic, government, pharmaceutical, and biotech research laboratories worldwide. There are currently over 200 independent publications highlighting the advantages of using the PCT Platform in scientific research & clinical laboratories.

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 losses from operations and negative cash flows from operationing business since our inception. As of September 30, 2023, 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 debt and equity capital in the past as described in Notes 5 and 6. In addition, we raised debt and equity capital after September 30, 2023, 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, 2022. Operating results for the nine months ended September 30, 2023 are not necessarily indicative of the final results that may be expected for the year ending December 31, 2023.

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.

Recent Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity, as part of its overall simplification initiative to reduce costs and complexity of applying accounting standards while maintaining or improving the usefulness of the information provided to users of financial statements. Among other changes, the new guidance removes the beneficial conversion separation model for convertible debt. As a result, after adopting the guidance, entities will no longer account for beneficial conversion features in equity. The guidance is effective for public business entities, other than small reporting company’s financial statements starting January 1, 2022, with early adoption permitted. The Company is a small reporting company and early adopted the new guidance on January 1, 2022 using the modified retrospective approach and recorded a cumulative effect of adoption equal to a \$2,728,243 decrease in additional paid in capital and a \$2,255,216 decrease in accumulated deficit. There is no material impact to the Company’s statements of operations or cash flows as the result of the adoption of ASU 2020-06.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses, which requires measurement and recognition of expected credit losses for financial assets held. We adopted this new accounting guidance effective January 1, 2023. The adoption did not have a material impact on our consolidated financial statements and disclosures and did not significantly impact the Company’s accounting policies or estimation methods related to the allowance for doubtful accounts. The Company does not have any reserve for doubtful accounts due to its customers being distributors, universities, research organizations and government agencies. In the past several years, all its customers have paid in full without any need for a write-down.

Principles of Consolidation

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

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 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 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, we will send a highly trained technical representative to the customer site to install Barocyclers® 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.

Most 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 takes on the 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.

Revenue from scientific services customers is recognized upon completion of each stage of service as defined in service agreements.

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 recognize revenue for non-cash transactions at recorded cost or carrying value of the assets or services sold.

We account for lease agreements of our instruments in accordance with ASC 842, Leases. 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.

Deferred revenue represents amounts received from 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.

<i>In thousands of US dollars (\$)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Primary geographical markets				
North America	\$ 251	\$ 138	\$ 1,067	\$ 709
Europe	76	13	130	61
Asia	86	(7)	468	352
	<u>\$ 413</u>	<u>\$ 144</u>	<u>\$ 1,665</u>	<u>\$ 1,122</u>
Major products/services lines				
Hardware	\$ 273	\$ 1	\$ 994	\$ 532
Consumables	50	49	173	165
Contract research services	-1	-	35	125
Sample preparation accessories	31	41	113	93
Technical support/extended service contracts	34	41	123	94
Agrochem Products	15	10	181	93
Shipping and handling	11	2	38	20
Other		-	8	-
	<u>\$ 413</u>	<u>\$ 144</u>	<u>\$ 1,665</u>	<u>\$ 1,122</u>
Timing of revenue recognition				
Products transferred at a point in time	\$ 379	\$ 103	\$ 1,506	\$ 903
Services transferred over time	34	41	159	219
	<u>\$ 413</u>	<u>\$ 144</u>	<u>\$ 1,665</u>	<u>\$ 1,122</u>

Contract balances

<i>In thousands of US dollars (\$)</i>	September 30, 2023	December 31, 2022
Receivables, which are included in ‘Accounts Receivable’	\$ 329	\$ 295
Contract liabilities (deferred revenue)	59	60

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.

<i>In thousands of US dollars (\$)</i>	2023	2024	Total
Extended warranty service	\$ 48	\$ 11	\$ 59

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 and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine months Ended September 30,	
	2023	2022	2023	2022
Top five customers	80%	42%	49%	31%
Federal agencies	18%	4%	5%	1%

The following table illustrates the level of concentration as a percentage of net accounts receivable balance as of September 30, 2023 and December 31, 2022. The Top Five Customers category may include federal agency receivable balances if applicable.

	September 30, 2023	December 31, 2022
Top five customers	80%	93%
Federal agencies	22%	0%

Product Supply

In recent years we utilized a contract assembler for our Barocycler® 2320EXT. They provided us with precision manufacturing services that included management support services to meet our specific application and operational requirements. Among the services provided to us were:

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

Beginning in July 2021, we brought the assembly of our Barocycler 2320EXT instruments in-house. This became necessary when our independent contract assembler (CBM Industries) informed us that they were about to need 100% of their assembly space for one of their customers (one of the largest life science instrument manufacturers in the U.S.). We worked with our notified body to gain approval to use both the CE and CSA marks on the instrument, which we received during Q3 2021. Until further notice, we expect to continue to assemble our Barocycler 2320EXT instrument at our South Easton, MA location.

We currently manufacture and assemble the Barocycler®, HUB440, HUB880, the SHREDDER SG3, and most of our consumables at our South Easton, MA facility. We will regularly reassess the tradeoffs between in-house assembly versus the benefits of outsourced relationships for of the entire Barocycler® product line, and future instruments.

Investment in Equity Securities

As of September 30, 2023, we held 100,250 shares of common stock of Nexity Global SA, (a Polish publicly traded company).

We account for this investment in accordance with ASC 320 “Investments — Debt and Equity Securities.” ASC 320 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 September 30, 2023, our consolidated balance sheet reflected the fair value, determined on a recurring basis based on Level 1 inputs of our investment in Nexity, to be \$77,918. We recorded \$14,280 as an unrealized gain during the nine months ended September 30, 2023 for changes in 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 and nine months ended September 30, 2023 and 2022:

	For the Three Months Ended September 30,		For the Nine months Ended September 30,	
	2023	2022	2023	2022
Numerator:				
Net loss attributable to common shareholders	\$ (6,261,999)	\$ (4,893,946)	\$ (24,666,565)	\$ (12,913,826)
Denominator for basic and diluted loss per share:				
Weighted average common stock shares outstanding	21,716,950	11,131,742	20,337,229	10,429,817
Loss per common share - basic and diluted	\$ (0.29)	\$ (0.44)	\$ (1.21)	\$ (1.24)

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, Series AA Convertible Preferred Stock, Series BB Convertible Stock and Series CC Convertible Preferred Stock are presented below as if they were converted into common shares according to the conversion terms.

	As of September 30,	
	2023	2022
Stock options	3,420,754	1,307,822
Convertible debt	7,417,906	6,471,034
Common stock warrants	15,732,940	16,293,768
Convertible preferred stock:		
Series D Convertible Preferred Stock	6,250	25,000
Series G Convertible Preferred Stock	-	26,857
Series H Convertible Preferred Stock	-	33,334
Series H2 Convertible Preferred Stock	-	70,000
Series J Convertible Preferred Stock	-	115,267
Series K Convertible Preferred Stock	-	229,334
Series AA Convertible Preferred Stock	8,601,000	8,645,000
Series BB Convertible Preferred Stock	8,580,000	-
Series CC Convertible Preferred Stock	4,010,000	-
	<u>47,768,850</u>	<u>33,217,416</u>

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

The following table summarizes the assumptions we utilized for grants of stock options to the three sub-groups of our stock option recipients during the nine months ended September 30, 2023:

<u>Assumptions</u>	<u>CEO, other Officers and Employees</u>
Expected life	6.0 (yrs)
Expected volatility	130.5%
Risk-free interest rate	3.90%
Forfeiture rate	0 to 5.00%
Expected dividend yield	0.0%

Valuation and Amortization Method - The fair value of each option award is estimated on the date of the 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 the 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 0% to 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.

All of the outstanding non-qualified options had an exercise price that was at or above the Company's common stock share price at time of issuance.

The Company recognized stock-based compensation expense of \$140,622 and \$32,427 for the three months ended September 30, 2023 and 2022, respectively. The company recognized stock-based compensation expense of \$1,706,420 and \$128,984 for the nine months ended September 30, 2023 and 2022, respectfully. 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 September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of sales	\$ 11,183	\$ 2,184	\$ 75,724	\$ 8,694
Research and development	35,676	9,499	241,585	37,803
Selling and marketing	17,150	4,583	102,675	18,166
General and administrative	76,613	16,161	1,286,436	64,321
Total stock-based compensation expense	\$ 140,622	\$ 32,427	\$ 1,706,420	\$ 128,984

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. The carrying amount of long-term debt approximates fair value due to interest rates that approximate prevailing market rates.

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 September 30, 2023:

	September 30, 2023	Fair value measurements at September 30, 2023 using:		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equity Securities	\$ 77,918	\$ 77,918	-	-
Total Financial Assets	\$ 77,918	\$ 77,918	\$ -	\$ -

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, 2022:

	December 31, 2022	Fair value measurements at December 31, 2022 using:		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equity Securities	63,638	63,638	-	-
Total Financial Assets	\$ 63,638	\$ 63,638	\$ -	\$ -

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. Our corporate office is currently located at 14 Norfolk Avenue, South Easton, Massachusetts 02375. We are currently paying \$7,650 per month, on a lease extension, signed on December 5, 2022, that expires December 31, 2023, 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 (the "Medford Lease") from December 30, 2020 to December 30, 2023. The lease required monthly payments of \$7,282 subject to annual cost of living increases. The lease shall be automatically extended for additional three years unless either party terminates at least nine months prior to

the expiration of the current lease term.

The Company accounted for the lease extension of our Medford Lease as a lease modification under ASC 842. At the effective date of modification, the Company recorded an adjustment to the right-of-use asset and lease liability in the amount of \$221,432 based on the net present value of lease payments discounted using an estimated borrowing rate of 12%.

On August 9, 2021, we entered into an operating lease agreement for our warehouse space in Sparks, NV (the “Sparks Lease”) for the period from September 1, 2021 through September 30, 2026. The lease contains escalating payments during the lease period. The lease can be extended for an additional three years if the Company provides notice at least six months prior to the expiration of the current lease term.

The Company accounted for the Sparks Lease as an operating lease under ASC 842. Upon the commencement of the lease, the Company recorded a right-of-use asset and lease liability in the amount of \$239,327 based on the net present value of lease payments discounted using an estimated borrowing rate of 12%.

Following is a schedule by years of future minimum rental payments required under operating leases with initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2023:

Year	Total
October 1 – December 31, 2023	\$ 15,887
2024	64,393
2025	66,969
2026	51,778
Total future undiscounted lease payments	199,027
Less imputed interest	(61,481)
Present value of lease liabilities	\$ 137,546

The operating cash flows from the operating leases were \$122,671 for the nine months ended September 30, 2023 and \$82,001 for the nine months ended September 30, 2022. The weighted-average remaining lease term (years) of the above leases is 2.59 year as of September 30, 2023.

Below is a table for the right of use asset and the corresponding lease liability in the consolidated balance sheets:

<u>Operating Leases</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Right of use asset	\$ 159,424	\$ 282,095
Right of use liability, current	\$ 66,259	\$ 142,171
Right of use liability, long term	\$ 71,287	\$ 139,924
Total lease liability	\$ 137,546	\$ 282,095

The weighted-average discount rate is 12%.

The Company had no financing leases during the nine months ended September 30, 2023 and 2022.

The components of lease cost for operating leases for the nine months ended September 30, 2023 and 2022 are as follows:

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Operating lease cost	\$ 153,290	\$ 152,193
Short-term lease cost	110,205	123,514
Total lease cost	\$ 263,495	\$ 275,707

Battelle Memorial Institute

In December 2008, we entered into an exclusive patent license agreement with the Battelle Memorial Institute (“*Battelle*”). The licensed technology is the subject of a patent application filed by Battelle in 2008 and relates to a method and a system for improving the analysis of protein samples, including through an automated system utilizing pressure and a pre-selected agent to obtain a digested sample in a significantly shorter period of time than current methods, while maintaining the integrity of the sample throughout the preparatory process. In addition to royalty payments on net sales on “licensed products,” we are obligated to make minimum royalty payments for each year that we retain the rights outlined in the patent license agreement and we are required to have our first commercial sale of the licensed products within one year following the issuance of the patent covered by the licensed technology. After re-negotiating the terms of the contract in 2013, the minimum annual royalty was \$1,200 in 2014 and \$2,000 in 2015; the minimum royalties were \$3,000 in 2016, \$4,000 in 2017 and \$5,000 in 2018 and each calendar year thereafter during the term of the agreement.

Target Discovery Inc.

In March 2010, we signed a strategic product licensing, manufacturing, co-marketing, and collaborative research and development agreement with Target Discovery Inc. (“*TDP*”), a related party. Under the terms of the agreement, we have been licensed by TDI to manufacture and sell an innovative line of chemicals used in the preparation of tissues for scientific analysis (“*TDI reagents*”). The TDI reagents were designed for use in combination with our pressure cycling technology. The companies believe that the combination of PCT and the TDI reagents can fill an existing need in life science research for an automated method for rapid extraction and recovery of intact, functional proteins associated with cell membranes in tissue samples. We did not incur any royalty obligation under this agreement in 2023 or 2022.

In April 2012, we signed a non-exclusive license agreement with TDI to grant the non-exclusive use of our pressure cycling technology. We executed an amendment to this agreement on October 1, 2016 wherein we agreed to pay a monthly fee of \$1,400 for the use of a lab bench, shared space, and other utilities, and \$2,000 per day for technical support services as needed. The agreement requires TDI to pay the Company a minimum royalty fee of \$60,000 in 2022 and \$60,000 in 2023. For the nine months ended September 30, 2023 and September 30, 2022, the Company reported \$55,400 and \$65,100, respectively in TDI fees.

Severance and Change of Control Agreements

Each of Mr. Schumacher, and Drs. Ting, and Lazarev, executive officers of the Company, are entitled to receive a severance payment if terminated by the Company without cause. The severance benefits would include a payment in an amount equal to one year of such executive officer's annualized base salary compensation plus accrued paid time off. Additionally, the officer will be entitled to receive medical and dental insurance coverage for one year following the date of termination.

Each of these executive officers, other than Mr. Schumacher, is entitled to receive a change of control payment in an amount equal to one year of such executive officer's annualized base salary compensation, accrued paid time off, and medical and dental coverage, in the event of their termination upon a change of control of the Company. In the case of Mr. Schumacher, this payment would be equal to two years of annualized base salary compensation, accrued paid time off, and two years of medical and dental coverage. The severance payment is meant to induce the aforementioned executives to remain in the employ of the Company, in general, and particularly in the occurrence of a change in control, as a disincentive to the control change.

5) Debt

Convertible Debt

On various dates during the nine months ended September 30, 2023, the Company issued convertible notes for net proceeds of approximate total of \$4.3 million which contained varied terms and conditions as follows: a) 1-12 month maturity date; b) interest rates of 0-120%; c) convertible to the Company's common stock at issuance at a fixed rate of \$2.50 or at variable conversion rates upon the Company's up-listing to NASDAQ or NYSE or an event of default. These notes were issued with shares of common stock that were fair valued at issuance date. The aggregate relative fair value of the shares of common stock and preferred stock issued with the notes of \$1,832,757 was recorded 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 qualify for derivative accounting treatment on September 30, 2023.

For the nine months ended September 30, 2023, deferred financing costs and OID issued with the debt are \$648,470 and the Company repaid \$2,462,269.

The summary of specific terms of the convertible notes and outstanding balances as of September 30, 2023, and December 31, 2022, are listed in the tables below. The convertible notes are from numerous parties and with original issue dates from July 2019 to September 2023 and maturity dates from July 2020 to September 2024. There are approximately \$12.3 million of notes that are past due as of September 30, 2023.

Holders	September 30, 2023			December 31, 2022		
	Interest Rate	Conversion Price	Principal	Interest Rate	Conversion Price	Principal
Main Investor	10%	\$ 2.50 (1)	\$ 8,586,750	10%	\$ 2.50 (1)	\$ 9,393,150
Others	0 to 24%	\$ 2.50 (2) or \$7.50	10,379,763	0 to 24%	\$ 2.50 (2) or \$7.50	8,886,036
Totals						18,279,186
Discount			744,393			455,517
Net			<u>\$18,222,120</u>			<u>\$17,823,669</u>

Notes:

- (1) Conversion price of these note is \$2.50 except for a note for \$189,750, which will be adjusted to, upon an Event of Default, the lower of (i) the conversion price or (ii) a 25% discount to the 5-day average VWAP of the stock prior to default and \$729,100 lower of (i) \$2.50 or (ii) the conversion price of the Series AA Preferred Stock as adjusted. These notes are secured by all assets of the company.
- (2) Conversion price of these notes is \$2.50 but also varies with one or more of these notes having the following conversion adjustment:
 - a. Notes are convertible before maturity at \$2.50 per share or mandatorily convertible when the Company up-lists to the NASDAQ at the lower of \$2.50 or the up-list price.

- b. Notes are convertible upon an Event of Default at 75% multiplied by the lowest trading price for the common stock during the five days prior to the conversion.
- c. Notes are convertible at \$2.50 per share except that following an Event of Default the conversion price will be adjusted to 75% multiplied by the lowest trading price for the common stock during the five days prior to the conversion.
- d. Notes can be voluntarily converted at lower of 1) \$2.50/share; or 2) purchase price of stock sold by PBI at a price lower than \$2.50/share. In the event of default, these notes can be converted at lower of 1) \$2.50/share; 2) 30% discount to 5-day VWAP prior to date of default.
- e. Notes can be voluntarily converted at lower of 1) \$2.50/share; or 2) purchase price of stock sold by PBI at a price lower than \$2.50/share. In the event of default, these notes can be converted at lower of 1) \$2.50/share; 2) 25% discount to 5-day VWAP prior to date of default.
- f. Conversion price is lower of (i) \$2.50 or (ii) the price per share that the Company last sold Common Stock after the execution of an anti-dilution protection agreement.
- g. Note can be converted at a Voluntary Conversion Price which is the lower of 1) \$2.50/share; or 2) purchase price of stock sold by the Company at a price lower than \$2.50 except that following an Event of Default, the Holder shall have the right, with no further consent from the Borrower, to convert notes which can be the lower of 1) the Voluntary Conversion Price, or 2) 70% of the 5-day VWAP prior to conversion.
- h. Conversion price is \$2.50. If note is in default, it is \$1.
- i. Notes can be voluntarily converted before maturity at \$2.50 per share. Lender retains the option upon an Up-list to convert at the lower of \$2.50 or 10% off Up-list price.
- j. Notes can be converted at the lesser of \$2.5 per share or 25% discount to the opening price of the Company's first day of trading on either Nasdaq or NYSE. In addition, if the Company fails to pay the Note in cash on maturity date, the conversion price will be adjusted to the lesser of (i) original conversion price or (ii) a 35% discount to the VWAP prior to each conversion date.
- k. Some notes are not convertible until 180 days from the date of issuance of the Note and following an Event of Default will be convertible at the lowest trading price of the 20 days prior to conversion. The loan with a principal balance of \$950,000 as of September 30, 2023 is guaranteed by the Company's Chief Executive Officer, but the lender may only enforce this guarantee after certain conditions have been met, specifically after (i) the occurrence of an Event of Default (as defined in the Note), (ii) the failure of the Company to cure the Default in 10 business days, and (iii) a failure by the Company to issue, or cause to be issued, shares of its common stock upon submission by the lender of a notice of conversion.
- l. Some notes can be converted at the lesser of \$2.50 per share or 25% discount to the opening price of the Company's first day of trading on either Nasdaq or NYSE. In addition, if the Company fails to pay the Note in cash on maturity date, the conversion price will be adjusted to the lesser of original conversion price or the product of the VWAP of the common stock for the 5 trading dates immediately prior to the maturity date multiplied by 0.75.

For the nine months ended September 30, 2023, the Company recognized amortization expense related to the debt discounts indicated above of \$2,621,523. The unamortized debt discounts as of September 30, 2023 related to the convertible notes amounted to \$744,393.

As of September 30, 2023, the principal balance that is secured by the assets of the Company's subsidiary, PBI Agrochem, Inc. is \$352,188.

Standstill and Forbearance Agreements

In recent years, the Company entered into Standstill and Forbearance Agreements with lenders who hold variable-rate convertible notes. Pursuant to these agreements the lenders agreed to not convert any portion of their notes into shares of common stock at a variable rate. During the nine months ended September 30, 2023, the Company settled one note with total principal of \$302,484, leaving one final lender (three notes) with total principal of \$272,500 outstanding and incurred interest, penalties and fees of approximately \$253,425 in connection with the Standstill and Forbearance Agreements.

Convertible Loan Modifications and Extinguishments

We refinanced certain convertible loans during the nine months ended September 30, 2023 at substantially the same terms for extensions ranging over a period of two to nine 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. During the nine months ended September 30, 2023 we recorded gains on extinguishment of liabilities of approximately \$0.7 million by calculating the difference of the fair value of the new debt and the carrying value of the old debt. During the nine months ended September 30, 2023, the Company extended 17 loans totaling \$3,917,898 and increased the principal to \$4,067,898. The Company issued 1,346,800 shares of common stock and 741 shares of preferred stock for these extensions and increased principal.

Other Debt

No notes in Other Debt are past due as of September 30, 2023.

Holders	September 30, 2023		December 31, 2022	
	Interest Rate	Principal	Interest Rate	Principal
Non-Convertible	(1)	\$ 1,016,500	(1)	\$ 878,809
Merchant debt (3)		1,014,010		760,160
SBA (2)	3.75%	162,522	3.75%	150,000
Totals		2,193,032		\$ 1,788,969
Discount		-		-
Long Term		162,522		150,000
Short Term		\$ 2,030,510		\$ 1,638,969

Notes:

- (1) Interest varies from 1% to 10%. The maturity is between being past due and May 2, 2023. As of September 30, 2023, \$861,500 of the non-convertible debt is past due.
- (2) The Company entered a COVID-19 government loan in 2020, the Economic Injury Disaster Loan (or "EIDL"). The Company's EIDL loan, \$150,000, accrues interest at 3.75% and requires monthly payments of \$731 for principal and interest beginning in December 2022. The balance of the principal will be due in 30 years. In connection with the EIDL loan the Company entered into a security agreement with the SBA, whereby the Company granted the SBA a security interest in all of the Company's right, title and interest in all of the Company's assets. During the nine months ended September 30, 2023, \$14,719 interest was deferred and added to principal on EIDL loan and the Company repaid \$2,197 principal on this loan. During the year ended December 31, 2020, the Company borrowed \$367,039 (two-year term and 1% interest rate per annum) under the Payroll Protection program (or "2020 PPP"). During the year ended December 31, 2021, the Company borrowed \$367,039 through a second Payroll Protection program (or "2021 PPP") and extended the monthly payment date on the EIDL to December 2022. In year 2021, both 2020 PPP and 2021 PPP was forgiven by the United States and SBA.
- (3) During the nine months ended September 30, 2023 and the year ended December 31, 2022 we 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 4.1% - 100.9% per month. 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 Daily Payment Rate. We 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. The Company's Chief Executive Officer guarantees the Company's performance of all representations, warranties, and covenants made by the Company in the Agreement. For loans outstanding on September 30, 2023, the maturity dates ranged from June 26, 2023 to October 15, 2023. For loan outstanding on December 31, 2022, the maturity dates ranged from April 4 to June 6, 2023.

Related Party Notes

Holders	September 30, 2023		December 31, 2022		
	Interest Rate	Principal	Interest Rate	Principal	Security
Officers & Directors	(1)	\$ 522,450	(1)	\$ 521,950	Unsecured
Other Related Parties	12%	126,050	12%	120,850	Unsecured
Totals		648,500		642,800	
Discount		514		7,915	
Net		\$ 647,986		\$ 634,885	

Notes:

- (1) Interest varies from 12% to 120%.

During the nine months ended September 30, 2023, we received short-term convertible loans of \$164,700 with \$5,514 OID from related parties and repaid \$159,000 of related party loans. These notes bear interest of 12% to 120% and are due upon demand. All related party notes are convertible at \$2.50/share.

We amortized \$592,099 of debt discounts during the nine months ended September 30, 2023 for all non-convertible and related party notes. The total unamortized discount for all non-convertible and related party convertible notes as of September 30, 2023, and December 31, 2022 was \$514 and \$7,915, respectively.

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, the following is outstanding:

	September 30, 2023	December 31, 2022
Series D Convertible Preferred Stock, \$.01 par value; 850 shares authorized; 75 shares issued and outstanding on September 30, 2023, and 300 shares issued and outstanding on December 31, 2022 (Liquidation value of \$300,000)	\$ -	\$ 3
Series G Convertible Preferred Stock, \$.01 par value; 240,000 shares authorized; no shares issued and outstanding on September 30, 2023 and 80,570 shares issued and outstanding on December 31, 2022	-	806
Series H Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; no shares issued and outstanding on September 30, 2023 and 10,000 shares issued and outstanding on December 31, 2022	-	100
Series J Convertible Preferred Stock, \$.01 par value; 6,250 shares authorized; no shares issued and outstanding on September 30, 2023 and 3,458 shares issued and outstanding on December 31, 2022	-	35
Series K Convertible Preferred Stock, \$.01 par value; 15,000 shares authorized; no shares issued and outstanding on September 30, 2023 and 6,880 shares issued and outstanding on December 31, 2022	-	68
Series AA Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; 8,601 shares issued and outstanding on September 30, 2023 and December 31, 2022, respectively	86	86
Series BB Convertible Preferred Stock, \$.01 par value; 1,000 shares authorized; 858 shares issued and outstanding on September 30, 2023 and no shares outstanding at December 31, 2022	10	-
Series CC Convertible Preferred Stock, \$.01 par value; 2,000 shares authorized; 401 shares issued and outstanding on September 30, 2023 and no shares outstanding at December 31, 2022	4	-
Series H2 Convertible Preferred Stock, \$.01 par value; 21 shares authorized; no shares issued and outstanding on September 30, 2023 and 21 shares issued and outstanding on December 31, 2022	-	-
Series A Junior Participating Preferred Stock, \$.01 par value, 20,000 shares authorized, no shares outstanding	-	-
Series A Convertible Preferred Stock, \$.01 par value, 313,960 shares authorized, no shares outstanding	-	-
Series B Convertible Preferred Stock, \$.01 par value, 279,256 shares authorized, no shares outstanding	-	-
Series C Convertible Preferred Stock, \$.01 par value, 88,098 shares authorized, no shares outstanding	-	-
Series E Convertible Preferred Stock, \$.01 par value, 500 shares authorized, no shares outstanding	-	-
Total Convertible Preferred Shares	\$ 100	\$ 1,098

On May 1, 2023, Pressure Biosciences, Inc. (the “Company”) filed Articles of Amendment to Restated Articles of Organization (the “Amendment”) with the Secretary of the Commonwealth of Massachusetts to designate 1,000 shares of its Preferred Stock as Series BB Convertible Preferred Stock, par value \$0.01 per share (the “Series BB Preferred Stock”) and 2,000 shares of Preferred Stock as Series CC Convertible Preferred Stock, par value \$0.01 per share (the “Series CC Preferred Stock”). Each of the Certificate of Designation of Series BB Convertible Preferred Stock (the “Series BB COD”) and Certificate of Designation of Series CC Convertible Preferred Stock (the “Series CC COD”) filed with the Amendment set forth the terms and provisions of the Series BB Preferred Stock and Series CC Preferred Stock, respectively.

Series BB Preferred Stock

Rank. The Series BB Preferred Stock ranks prior to the Company’s common stock, par value \$0.01 per share (the “Common Stock”), and subordinate to the Series AA and Series CC Preferred Stock, and to all other classes of classes and series of equity securities of the Company, which by its terms does not rank on a parity with or senior to the Series BB Preferred, and all indebtedness of the Company.

Dividends. The holders of shares of the Series BB Preferred Stock are not entitled to receive dividends.

Voting Rights. The Series BB Preferred Stock has all of the same voting rights as the Common Stock. Each share of Series BB Preferred Stock. The holders of Series BB Preferred Stock shall have the right to vote along with the holders of Common Stock in an amount equal to 10,000 votes for each share of Series BB Preferred Stock held.

Voluntary Conversion. The holders of Series BB Preferred Stock have the right to convert its Series BB Preferred Stock into Common Stock at a ratio of 10,000 shares of Common Stock for each share of Series BB Preferred Stock held, subject to adjustment as set forth in Section 4(e) of the Series BB COD.

Company Forced Conversion. The Company has the right to cause the conversion of all shares of Series BB Preferred Stock into Common Stock (“Forced Conversion”). Following the effectiveness of a registration statement permitting the resale of the Conversion Shares held by holders of the Series BB Preferred Stock, the Company may effectuate a Forced Conversion if either of the following conditions are satisfied: (i) the VWAP of the Common Stock shall equal or exceed 300% of \$2.50 (with such dollar figure to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction that affects the share price of the Common Stock) for either 10 consecutive trading days, or 15 of 25 consecutive trading days immediately preceding the date of the Forced Conversion Notice; or (ii) listing of the Common Stock on any national securities exchange (NYSE, NYSE American or Nasdaq). The Company shall not have an obligation to register the Conversion Shares of the shares of Series BB Preferred Stock that are issued pursuant to any exchange of previously issued securities.

Series CC Preferred Stock

Rank. The Series CC Preferred Stock ranks prior to the Common Stock, *pari passu* to the Series AA Preferred Stock, and prior to all other classes and series of equity securities of the Company which by its terms does not rank on a parity with or senior to the Series CC Preferred Stock (the “Junior Stock”). The Series CC Preferred Stock is subordinate to and ranks junior to all indebtedness of the Company.

Quarterly Dividends. The holders of shares of the Series CC Preferred Stock are entitled to receive, out of funds legally available therefor, dividends at an annual rate equal to 8% of the Liquidation Preference Amount (as defined below), calculated on the basis of a 360-day year, consisting of twelve 30-day months, and shall accrue on a daily basis from April 24, 2023. Accrued and unpaid dividends shall compound on a quarterly basis, and shall be, except as set forth in Section 2(b) of the Series CC COD, payable in cash. The first such dividend payment shall be due and payable on April 30, 2023, with subsequent dividend payments due and payable on June 30, September 30, and December 31, 2023. Each year thereafter, dividend payments shall be due and payable on March 31, June 30, September 30, and December 31.

Junior Stock Dividends. The Company shall not declare or pay any cash dividends on or make any other distributions with respect to or redeem, purchase, or otherwise acquire for consideration, any shares of Junior Stock unless and until all accrued and unpaid dividends on the Series CC Preferred Stock have been paid in full, subject to restrictions as set forth in Section 3(a) of the Series CC COD.

Class Voting Rights. So long as more than ten percent (10%) of the Series CC Preferred Stock remain outstanding, the Company shall not, and shall not permit any subsidiary to, without the affirmative vote or consent of the holders of at least 75% of the shares of the Series CC Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting, in which the holders of the Series CC Preferred Stock vote separately as a class: (i) authorize, create, issue or increase the authorized or issued amount of any class or series of stock, including but not limited to the issuance of any more shares of previously authorized Preferred Stock, ranking prior to the Series CC Preferred Stock, with respect to the distribution of assets on liquidation, dissolution or winding up; (ii) amend, alter or repeal the provisions of the Series CC Preferred Stock, whether by merger, consolidation or otherwise, so as to adversely affect any right, preference, privilege or voting power of the Series CC Preferred Stock; (iii) repurchase, redeem or pay dividends on (whether in cash, in kind, or otherwise), shares of Junior Stock; (iv) amend the Articles of Incorporation or By-Laws of the Company so as to affect materially and adversely any right, preference, privilege or voting power of the Series CC Preferred Stock; (v) effect any distribution with respect to Junior Stock or parity stock; (vi) reclassify the Company's outstanding securities; or (vii) effect a transaction with one or more persons or entities whereby such other persons or entities will own more than the 50% of the outstanding shares of Common Stock following such transaction.

General Voting Rights. Except with respect to transactions upon which the Series CC Preferred Stock shall be entitled to vote separately as a class as set forth in "Class Voting Rights" above and except as otherwise required by Massachusetts law, the Series CC Preferred Stock shall have no voting rights. The Common Stock into which the Series CC Preferred Stock is convertible shall, upon issuance, have all of the same voting rights as the Common Stock.

Liquidation Preference. In the event of the liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, the holders of shares of the Series CC Preferred Stock then outstanding shall be entitled to receive, out of the assets of the Company whether such assets are capital or surplus of any nature, an amount equal to \$25,000.00 per share (the "Liquidation Preference Amount") of the Series CC Preferred Stock, on a pro rata and pari passu basis with any parity stock (the "Pari Passu Preferred Stock"), together with all accrued but unpaid dividends, before any payment shall be made or any assets distributed to the holders of the Common Stock or any other Junior Stock. If the assets of the Company are not sufficient to pay in full the Liquidation Preference Amount payable to the holders of outstanding shares of the Series CC Preferred Stock and any series of preferred stock or any other class of stock on a parity as to rights on liquidation, dissolution or winding up, with the Series CC Preferred Stock, then all of said assets will be distributed among the holders of the Series CC Preferred Stock, the Pari Passu Preferred Stock and the other classes of stock on a parity with the Series CC Preferred Stock, if any, ratably in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

Voluntary Conversion. The holders of Series CC Preferred Stock have the right to convert its Series CC Preferred Stock into a number of fully paid and nonassessable shares of Common Stock (the "Conversion Shares") equal to the quotient of (i) the Liquidation Preference Amount of the shares of Series CC Preferred Stock being converted thereon divided by (ii) the Conversion Price then in effect as of the date of the delivery by such holder of its notice of election to convert. The "Conversion Price" shall mean \$2.50 per share, subject to adjustment under Section 5(e) of the Series CC COD.

Company Forced Conversion. The Company has the right to cause the conversion of all shares of Series CC Preferred Stock into Common Stock ("Forced Conversion"). Following the effectiveness of a registration statement permitting the resale of the Conversion Shares held by holders of the Series CC Preferred Stock the Company may effectuate a Forced Conversion if either of the following conditions are satisfied as of the Forced Conversion Effective Date: (i) the VWAP of the Common Stock shall equal or exceed 300% of the Conversion Price for either 10 consecutive trading days, or 15 of 25 consecutive trading days immediately preceding the date of the Forced Conversion Notice; or (ii) listing of the Common Stock on any national securities exchange (NYSE, NYSE American or Nasdaq). The Company shall not have an obligation to register the Conversion Shares of the shares of Series CC Preferred Stock that are issued pursuant to any exchange of previously issued securities.

Conversion Restriction. At no time may a holder of shares of Series CC Preferred Stock convert shares of the Series CC Preferred Stock if the number of shares of Common Stock to be issued pursuant to such conversion would exceed, when aggregated with all other shares of Common Stock owned by such holder at such time, the number of shares of Common Stock which would result in such holder beneficially owning (as determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules thereunder) in excess of 4.99% of all of the Common Stock outstanding at such time (the “Conversion Restriction”); provided, however, that a holder may waive the Conversion Restriction by providing the Company with sixty-one (61) days’ notice that such holder is waiving the Conversion Restriction.

During the nine months ended September 30, 2023 the Company issued a total of 953 shares of Series BB restricted preferred stock and 401 shares of Series CC restricted preferred stock to accredited investors and consultants, with the following detail:

- 92 shares of Series BB preferred stock with a fair value of \$617,200, for services rendered;
- 741 shares of Series BB preferred stock with a fair value of \$2,683,600 for convertible debt extensions;
- 58 shares of Series BB preferred stock with a fair value of \$539,487 and issued with convertible debt;
- 62 shares of Series BB preferred stock from the conversion of common stock to preferred stock;
- 95 shares of Series BB preferred stock was converted into common stock;
- 401 shares of Series CC preferred stock with a fair value of \$10,017,212 for the conversion of debt/accrued interest and dividends.

Stock Options and Warrants

At the Company’s December 30, 2021 Special Meeting, the shareholder’s approved the 2021 Equity Incentive Plan (the “2021 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. Consistent with the Company’s existing 2013 Equity Incentive plan (the “2013 plan”), under the 2021 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 September 30, 2023, options to acquire 3,420,754 shares were outstanding under these Plans.

As of September 30, 2023, total unrecognized compensation cost related to the unvested stock-based awards was \$963,322, which is expected to be recognized over weighted average period of 2.2 years. The aggregate intrinsic value associated with the options outstanding and exercisable as of September 30, 2023, based on the September 30, 2023, closing stock price of \$0.20, was \$0.00.

The following table summarizes information concerning options and warrants outstanding and exercisable:

	Stock Options		Warrants		Total	
	Weighted Average		Weighted Average		Shares	Exercisable
	Shares	price per share	Shares	price per share		
Balance outstanding, December 31, 2022	1,307,822	\$ 0.72	16,278,769	\$ 3.50	17,586,591	17,570,591
Granted	2,230,484	1.50	100,000	3.50	2,330,484	
Exercised	(117,552)	0.69	-	-	(117,552)	
Expired	-	-	(645,829)	3.50	(645,829)	
Forfeited	-	-	-	-	-	
Balance outstanding, September 30, 2023	3,420,754	\$ 1.23	15,732,940	\$ 3.50	19,153,694	18,289,721

As of September 30, 2023, the 3,420,754 options outstanding have a \$1.23 weighted average exercise price and 8.14 years of weighted average remaining life for outstanding options and 7.75 years of weighted average remaining life for exercisable options. Of these options, 2,556,781 are currently exercisable.

On April 13, 2023, the Board authorized a 3-year extension of common stock warrants held by Series AA preferred shares holders. Therefore, 8,897,603 warrants were extended with new expiration dates between May 2, 2026 to September 14, 2029. Based on a fair value computation, this extension resulted in net incremental expense of \$3,626,950, which was booked as an increase in the value of warrants and an increase of the retained deficit.

As of September 30, 2023, the warrants outstanding have a \$3.50 weighted average exercise price and a 2.42 year weighted average remaining life.

Common Stock and Warrant Issuances

During the nine months ended September 30, 2023, the Company accrued approximately \$3,715,204 in interest expense for these obligations to issue common stock. During the nine months ended September 30, 2022, the Company accrued \$634,305 in interest expense for these obligations to issue common stock.

During the nine months ended September 30, 2023 the Company issued a total of 9,717,035 shares of restricted common stock and to accredited investors and consultants, with the following detail:

- 4,094,121 shares of common stock with a fair value of \$3,715,204 to lenders for interest paid-in-kind;
- 1,630,500 shares with a fair value of \$1,917,036 for services rendered;
- 203,613 shares with a fair value of \$509,033 for conversions of debt principal and interest;
- 117,552 shares for stock option exercises (at an exercise price of \$0.69 per share);
- 142,767 shares with a fair value of \$162,528 for dividends paid-in-kind;
- 1,258,742 shares with a fair value of \$1,293,270 for common stock issued with convertible debt;
- 1,346,800 shares with a fair value of \$1,671,573 for convertible debt extensions;
- 60,000 shares with a fair value of \$150,000 for sale of common, and
- 1,486,940 shares for the conversion of preferred stock to common stock.

During the nine months ended September 30, 2023, the Company issued 100,000 warrants (four-year term at a \$3.50 exercise price) to acquire common stock at a fair value of \$61,609 to a consultant for professional services.

During the nine months ended September 30, 2022, we issued 3,100,085 shares of restricted common stock to accredited investors and consultants, 140,200 shares with a fair value of \$350,500 for conversions of debt principal and interest for common stock, 1,172,100 of the shares with a fair value of \$2,196,278 were issued for interest paid-in-kind, 190,500 of the shares with a fair value of \$312,875 were issued for services rendered, 170,306 shares with a fair value of \$306,333 for dividends paid-in-kind, 368,500 shares with a fair value \$512,593 for new convertible debt issuances, 25,279 shares with a fair value of \$17,433 from a stock option exercise, 1,028,800 shares with a fair value of \$1,714,678 for debt extension and shareholders converted shares of series AA convertible preferred stock into 4,400 shares of common stock

During the nine months ended September 30, 2022, we issued 277,500 warrants (three-year to five-year terms at a \$3.50 exercise price) to acquire common stock at a total fair value of \$280,608 to a lender in conjunction with the signing of new convertible loans, a vendor for services rendered and for debt extension.

7) Subsequent Events

From October 1, 2023, through November 10, 2023, the Company issued seven (7) convertible loan with a principal balance of \$439,000. The terms of the convertible notes were 15 days to 12 months with interest rates of 10-120% and convertible into the Company's common stock at a fixed rate of \$2.50 per share. In this time the Company also issued 278,500 shares of common stock for new convertible debt loans in the third quarter, 455,350 shares of common stock for accrued interest paid-in-kind, 310,000 shares of common stock for debt extensions, 505,000 shares of common stock from the conversion of Series BB preferred stock, 145,809 shares of common stock for Series AA preferred dividends and 40 Series BB preferred stock for professional services.

On October 18, 2023, the Board of Directors (the "Board") of Pressure BioSciences, Inc. (the "Company") approved an amendment (the "Amendment") to the Pressure BioSciences, Inc. 2021 Equity Incentive Plan (the "Plan"). The Plan originally provided that no one person could be granted awards pursuant to the Plan during any one fiscal year to purchase more than 300,000 shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"). Pursuant to the amendment, the yearly limit for any one person was raised to 500,000 shares of Common Stock.

On the same date, the Board granted a total of 1,500,000 stock options to a number of employees, consultants and the four members of the Board with each option having an exercise price of \$0.25 per share. Each award of options expires on October 18, 2033. The options for the members of the Board vest in equal amounts over twelve (12) months. The options for Mr. Schumacher and Drs. Ting and Lazarev were each vested 25% on the date of issuance and 25% of the options vest each year for the next three (3) years.

In addition, on the same date, the Board approved the repricing of all outstanding options (including those held by the Board members and the named executive officers) to \$0.25. The previous exercise prices of the outstanding stock options held by the Board members and the named executive officers ranged from \$0.69 to \$1.50.

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 number of Pressure Cycling Technology ("PCT") and Constant Pressure ("CP") based units that we believe will be installed and the expected 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 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 resources expended 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, as well as for our other products and services in both the BaroFold and Ultra Shear Technology areas.

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, 2022 and in this Report. We qualify all of our forward-looking statements by these cautionary statements.

Pressure BioSciences, Inc. (OTCQB: PBIO) (the “Company”) is a leader in the development & sale of innovative, enabling, high pressure technology-based instruments, consumables, and services for the life sciences and other industries worldwide. Our products/services are based on three patented, high-pressure platforms: (i) Ultra Shear Technology™ (“UltraShear™” or “UST™”), (ii) BaroFold Technology™ (“BaroFold™”), and (iii) Pressure Cycling Technology™ (“PCT™”)

The Company was founded on the belief that its PCT platform had the potential to significantly increase the quality of sample preparation in both research and clinical settings. This premise has been well proven and PBI has been successful in installing its PCT platform in the laboratories of key opinion leaders worldwide. Although developed subsequently, the Company now assesses that the commercial potential for its UST platform across diverse multi-billion dollar markets far exceeds the potential of the PCT platform. Consequently, in January 2022, PBI made the critical strategy decision to immediately shift its primary business focus from PCT to its innovative UST Platform.

The UST Platform (8 issued patents) is based on the use of intense shear forces from ultra-high pressure discharge (greater than 20,000 psi) through a dynamically-controlled nano-gap valve under precisely controlled temperatures. UST has been shown to turn hydrophobic (water-repelling) oil-based supplements (e.g., CBD, curcumin, astaxanthin), therapeutics (e.g., prednisone), and other active ingredients (e.g., retinol) into long-term stable, effectively water-soluble, highly bioavailable, oil-in-water nanoemulsion formulations. The Company began early commercial introduction of the UST Platform in May 2022, and executed agreements were subsequently announced with three CBD companies and one cosmeceutical/skincare company for commercialization in Q4 2022.

The BaroFold Platform (14 issued patents) can be used to significantly improve the quality and production costs of protein biotherapeutics. It employs high-pressure manipulations for the disaggregation, unfolding and controlled refolding of proteins to their desired native structures at yields and efficiencies not achievable using existing technologies. The BaroFold Platform has been shown to remove protein aggregates in biotherapeutic drug manufacturing, thereby improving product efficacy, safety, and cost for both new-drug entities and biosimilar (follow-on biologic) products. It is scalable and practical for standard manufacturing processes.

The PCT Platform (17 issued patents) uses alternating cycles of hydrostatic pressure between ambient and ultra-high pressures to control bio-molecular interactions safely and reproducibly in sample preparation (e.g., the critical steps performed by tens of thousands of scientists worldwide prior to analytical measurements, such as cell lysis and biomolecule extraction from tissue samples). Our focus for PCT is on making our, GMP-compliant, next generation PCT-based Barocycler EXTREME system available globally to biopharmaceutical drug manufacturers for use in the design, development, characterization, and quality control of biotherapeutic drugs. We currently have over 350 PCT Systems placed in approximately 225 academic, government, pharmaceutical, and biotech research laboratories worldwide. There are currently over 200 independent publications highlighting the advantages of using the PCT Platform in scientific research & clinical laboratories.

2023 Key Accomplishments

From January 1, 2023 to September 30, 2023, we announced the following key accomplishments:

- **September 22:** PBIO’s partner Veterans Service Team increases existing purchase order by 10X for bottles of UltraShear Nano-CBD topical spray, effective immediately.
- **September 21:** PBIO’s fulfillment of UltraShear Nano-CBD orders is underway; customer shipments begin first week of October
- **September 8:** PBIO’s Barofold technology achieves pivotal equipment sale and begins scale-up in service to leading global contract development and manufacturing organization.
- **August 30:** PBIO provides second progress report on UltraShear Nano-CBD Launch: “Drive to 420”.
- **August 22:** PBIO reports Q22023 financial results, provides business update, and offers guidance.
- **August 9:** PBIO reports strongly accelerating UltraShear Nano-CBD orders.
- **July 26:** PBIO and master distributor Canopy CBD Farms announce major increase in sales pipeline.
- **July 25:** PBIO to evaluate Company’s patented UltraShear process to extend shelf-life of fresh produce.
- **July 17:** Company’s UltraShear Nano-CBD commercial roll-out program enters rapid expansion phase 2.
- **July 10:** Company announces Nano-CBD topical spray distribution agreement with Crème de Canna.
- **July 6:** Key academic publication further validates PBIO’s UltraShear platforms’ impact in clean-label foods.

- **July 5:** PBIO partners with Somalab Int'l for development & distribution of UltraShear-enabled health products.
- **June 13:** PBIO partners with Veterans Service Team to offer exclusive access for VST members to Nano-CBD.
- **June 1:** PBIO expands on six key goals for June 2023 with expected multi-million-dollar growth potential.
- **May 22:** Commercial availability of Best-in-Class Nano-CBD topical spray with lightning-fast action announced.
- **May 16:** PBIO announces Q1 2023 financial results: all-time quarterly record revenue.
- **May 9:** Extended consumer testing strongly validates market transforming speed and dosing efficiency of PBIO's UltraShear processed nano-THC oral spray.
- **April 26:** PBIO updates rapid progress on potential sales of exclusive THC licenses.
- **April 21, 2023:** PBIO unveils powerful THC market leapfrog opportunity with exclusive licensing of UltraShear nanoemulsion processing platform.
- **April 18:** PBIO announces expansion into strategic manufacturing facilities with premier process tech company.
- **April 14:** PBIO reports Q4 and FY 2022 financial results – offers guidance for a strong 2023.
- **April 6, 2023:** PBIO and NutraLife Biosciences renew partnership for development and distribution of next generation nutraceuticals.
- **March 28:** Company reports fresh sales momentum for PBI Agrochem.
- **March 22:** PBIO receives \$1.5 million contract for UltraShear nanoemulsified CBD.
- **March 1:** Company announces the exchange of over \$10 million of debt into equity.
- **February 1:** Company receives record order (nearly \$600,000) for 16 PCT instruments.
- **January 27:** PBIO and One World Products partner to develop CBD-Nano sports performance/recovery drink.
- **January 19:** Dramatic consumer testing results confirm UltraShear nanoemulsion oral spray delivers first effects and maximization in lightning speed – simple, reliable dosing delivers profoundly improved results.

Results of Operations

The following disclosure compares the results of operations for the quarter ended September 30, 2023 (“Q2 2023”) with September 30, 2022 (“Q2 2022”) and compares the nine months ended September 30, 2023 with September 30, 2022.

Products and Services Revenue

We recognized total revenue of \$413,009 for Q3 2023 compared to \$144,032 for Q3 2022, a 187% increase. For the year-to-date periods ending September 30, 2023 and September 30, 2022, we recognized revenue of \$1,665,412 and \$1,122,169 respectively, a 48% increase.

This increase in revenue was primarily attributable to a \$506,828 increase in PCT instrumentation and consumable sales, a \$30,295 increase in technical support services and an \$87,378 increase in Agrochem products, offset by a decrease of \$89,350 in scientific services.

Cost of Products and Services

The cost of products and services was \$229,457 for Q3 2023 compared to \$126,203 for Q3 2022. For the year-to-date periods ending September 30, 2023 and September 30, 2022 our cost of products and services were \$844,684 and \$742,707, respectively. Gross profit margin on products and services increased to 49% in the year-to-date period ended September 30, 2023 from 34% in the same period ended September 30, 2022. The increase in gross profit margin was attributable to \$180,670 of Agrochem products sold in 2023 at no cost due to 2022 inventory write-off and a \$79,901 instrument non-monetary exchange sale in 2022 was recorded at no profit.

Research and Development

Research and development expenses were \$288,345 for Q3 2023 compared to \$262,370 for Q3 2022. For the year-to-date periods ending September 30, 2023 and September 30, 2022, these expenses were \$1,004,437 and \$716,685, respectively, a 40% increase. The reported increase was due to a \$71,777 reclass of salaries to COGS for a non-monetary instrument exchange in 2022 and \$241,585 of stock-based compensation expense for employee stock options issued in 2023.

Selling and Marketing

Selling and marketing expenses were \$157,773 for Q3 2023 compared to \$226,526 for Q3 2022. For the year-to-date periods ending September 30, 2023 and September 30, 2022, these expenses were \$537,802 and \$422,422, respectively a 27% increase. The reported increase was primarily attributable to the hiring of a Marketing FTE in Q2 2023 and \$102,675 of stock-based compensation expense for employee stock options issued in 2023.

General and Administrative

General and administrative expenses were \$1,030,244 for Q3 2023 compared to \$892,293 for Q3 2022. For the year-to-date periods ending September 30, 2023 and September 30, 2022, these expenses were \$5,290,564 and \$2,591,644, respectively, a 104% increase. The increase was primarily due to approximately \$2.0 million common stock and warrants issued for services, approximately \$1.3 million of stock-based compensation expense for employee, BOD and financial consultant stock options issued in 2023, and approximately \$132,000 of financial consulting expenses in 2023, offset by an approximately \$423,000 decrease in IR expenses.

Operating Loss

Operating loss was \$1,292,809 for Q3 2023 compared to \$1,363,360 for Q3 2022. For the year-to-date periods ending September 30, 2023 and September 30, 2022, the operating loss was \$6,012,075 and \$3,551,289 respectively, a 79% increase. This increase was primarily due to \$2.0 millions in common stock and warrants issued for services and \$1.7 million of stock-based compensation expense for employee, BOD financial consultant stock options issued in 2023, offset by an approximate \$423,000 decrease in IR expenses.

Interest Expense, net

Interest expense was \$4,338,759 for Q3 2023 compared to \$2,034,021 for Q3 2022. For the year-to-date periods ending September 30, 2023 and September 30, 2022, these expenses were \$14,112,098 and \$6,448,771, respectively, a 119% increase. This increase was attributable to an increase in convertible debt and merchant cash loans, in addition to stock issuances for interest paid in kind and stock issued for debt extensions.

Unrealized gain on investment in equity securities

Unrealized loss on investments in equity securities was \$5,965 for Q3 2023 compared to an unrealized loss of \$8,675 for Q3 2022. For the nine months ended September 30, 2023, the unrealized gain on investment in equity securities was \$14,280 as compared to an unrealized loss of \$8,047 for the nine months ended September 30, 2022. The reported change was attributable to movement in the market price of the Company's investment in Nexity.

Loss on extinguishment of liabilities

In connection with debt extensions and forgiveness, we recognized a net gain of \$0 for Q3 2023 compared to \$1,054,122 of losses for Q3 2022. For the nine months ended September 30, 2023 the recognized net gain of \$687,591 as compared to a net loss of \$1,809,249 for the nine months ended September 30, 2022. The increase/decline in gains/losses was attributable to decreased extension and forgiveness activity.

Net loss attributable to common stockholders

Net loss attributable to common stockholders was \$6,261,999 (\$0.29 per share) for Q3 2023 compared to \$4,893,946 (\$0.44 per share) for Q3 2022. For the nine months ended September 30, 2023, the net loss attributable to common stock was \$24,666,565 (\$1.21 per share) as compared to \$12,913,826 (\$1.24 per share).

Liquidity and Financial Condition

We have experienced negative cash flows from operations since our inception. As of September 30, 2023, 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. As described in Notes 5 and 6 of the accompanying consolidated financial statements, we have been successful in raising debt and equity capital. We received approximately \$6.5 million in net proceeds from loans in the nine months ended September 30, 2023. We have efforts in place to continue to raise cash through debt and equity offerings. (See Note 7 to the financial statements)

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 nine months ended September 30, 2023 was \$2,053,823 as compared to \$3,051,257 for the nine months ended September 30, 2022.

Net cash used in investing activities for the nine months ended September 30, 2023 was \$7,495 compared to \$20,754 in the nine months ended September 30, 2022.

Net cash provided by financing activities for the nine months ended September 30, 2023 was \$2,062,716 as compared to \$3,170,580 for the nine months ended September 30, 2022.

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 September 30, 2023, 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 September 30, 2023 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, 2022. 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 once we generate significantly more revenue or raise significantly more working capital.

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 six-month period ended September 30, 2023, 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 September 30, 2023 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, 2022 and, in this Item, 1A. 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 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 10-K for the year ended December 31, 2022.

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 nine months ended September 30, 2023 the Company issued a total of 9,917,035 of its common shares, 953 shares of Series BB preferred stock and 401 shares of Series CC preferred stock as follows:

- 117,552 shares from option exercises;
- 1,630,500 shares for professional services;
- 1,346,800 shares for debt extensions;
- 203,613 shares for conversion of debt and interest;

- 142,767 shares for dividends paid-in-kind;
- 4,094,121 shares for interest paid-in-kind;
- 1,258,742 shares for shares issued with debt;
- 60,000 shares from sale of common shares;
- 95 shares of Series BB preferred stock was converted to common stock;
- 92 shares of Series BB preferred stock for professional services;
- 741 shares of Series BB preferred stock for debt extensions;
- 58 shares of Series BB preferred stock issued with debt;
- 401 shares of Series CC preferred stock for conversion of debt/accrued interest and dividends, and
- 62 shares of Series BB preferred stock for the conversion of common stock.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits

21.1*	Securities Issuance and Exchange Agreement
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*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL 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: November 20, 2023

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

SECURITIES ISSUANCE AND EXCHANGE AGREEMENT

This Securities Issuance and Exchange Agreement (this “*Agreement*”) is dated as of February 28, 2023, between Pressure BioSciences, Inc., a Massachusetts corporation (the “*Company*”), and Clayton A. Struve (the “*Purchaser*”).

WHEREAS, the Company has determined that it is in its best interests to issue shares of a newly created series of Preferred Stock (as defined below) to the Purchaser in exchange for (i) all unpaid accrued interest owed to the Purchaser up to February 22, 2023 from his purchase of \$9,393,150 of a series of secured convertible promissory notes issued to the Purchaser by the Company from November 15, 2019 up to August 31, 2021; (ii) unpaid accrued Series AA dividends owed to the Purchaser from the purchase issued by the Company from a series of Series AA Preferred Stock from May 2, 2018 up to February 22, 2023; and (iii) the conversion of \$1,535,500 of certain secured convertible promissory notes purchased by the Purchaser from the Company, all totaling \$10,017,212 (collectively the “*Debt*”) and decided by the Purchaser to include in this Agreement on Schedule A, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the “*Securities Act*”), and Rule 506 promulgated thereunder; and

WHEREAS, the Purchaser desires to receive Shares of Preferred Stock (as defined below) in exchange for all Debt, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act and Rule 506 promulgated thereunder.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

“*Affiliate*” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 144 under the Securities Act.

“*Articles of Amendment*” means the Articles of Amendment to the Company’s Restated Articles of Organization, as amended, in the form of Exhibit A attached hereto, that includes a Certificate of Designation setting forth the rights, preferences, powers, privileges, restrictions, qualifications and limitations of the Preferred Stock.

“*Business Day*” means any day except Saturday, Sunday, any day which shall be a federal legal holiday in the United States, or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“**Closing**” means the approval and issuance of the Shares of Preferred Stock in exchange for the Debt pursuant to Section 2.1.

“**Closing Date**” means the date on which the Company completes the issuance of the Shares of Preferred Stock in exchange for the Debt.

“**Common Stock**” means the common stock of the Company, par value \$.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed into.

“**Conversion Shares**” means such shares of Common Stock which, from time to time, have been issued, or may be issuable, upon conversion of the Preferred Stock.

“**Debt**” means unpaid accrued interest, unpaid Series AA dividends, and those certain convertible promissory notes owned by the Purchaser and listed on Schedule A.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“**Liens**” means a lien, liability, charge, security interest, encumbrance, pledge, right of first refusal, preemptive right or other restriction of any kind, nature or description.

“**Material Adverse Effect**” shall have the meaning assigned to such term in Section 3.1(a).

“**Person**” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof), or other entity of any kind.

“**Preferred Stock**” means the Series CC Convertible Preferred Stock of the Company, \$.01 par value, issued or issuable to the Purchaser pursuant to this Agreement with such rights, preferences, powers, privileges, restrictions, qualifications and limitations as are set forth in the Certificate of Designation included in the Articles of Amendment and attached on Schedule B.

“**Proceeding**” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“**Required Approvals**” shall have the meaning ascribed to such term in Section 3.1(d).

“**Rule 144**” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such rule.

“**SEC Reports**” shall have the meaning ascribed to such term in Section 3.1(f).

“*Securities Act*” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“*Shares of Common Stock*” shall have the meaning ascribed to such term in Section 2.2(a).

“*Shares of Preferred Stock*” shall have the meaning ascribed to such term in Section 2.2(a).

“*Unpaid Accrued Interest*” shall mean all earned and unpaid accrued interest owed to the Purchaser from all outstanding convertible loans and Series AA Preferred Stock currently held by the Purchase up until the Closing of this Agreement, see Section 2.2(a).

ARTICLE II.
ISSUANCE AND EXCHANGE

2.1 Articles of Amendment. On or before the Closing, the Company shall adopt and file with the Secretary of the Commonwealth of Massachusetts the Articles of Amendment.

2.2 Purchase, Exchange and Sale.

(a) Effective upon the Closing and subject to the terms and conditions set forth herein, (i) the Company hereby issues to the Purchaser that number of shares of Preferred Stock Series CC that represents a number of Common Stock Equivalents (“CSE”) that is the result of the total debt being exchanged (Schedule A) divided by \$2.50 (the “*Shares of Preferred Stock*”), and (ii) the Purchaser hereby assigns, transfers and delivers to the Company all of the Purchaser’s right, title and interest in and to the amount of the Debt, free and clear of all Liens, in exchange for the Shares of Preferred Stock.

(b) The Closing and issuance of the Shares of Preferred Stock in exchange for the debt shall take place on February 28, 2023, at the offices of the Company, remotely via the exchange of documents and signatures, or on such other date or at such other location or by such other means as the parties shall mutually agree.

2.3 Closing Deliveries.

(a) On or prior to the Closing (except as otherwise required below, or agreed to between Company and Purchaser), the Company shall deliver or cause to be delivered to the Purchaser a certificate or certificates registered in the name of the Purchaser representing the Shares of Preferred Stock.

(b) On or prior to the Closing (or following the closing, if agreed to between Company and Purchaser), the Purchaser shall deliver or cause to be delivered to the Company an IRS Form W-9 completed with respect to the Purchaser in accordance with the instructions accompanying such form.

2.4 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the exchange of the Debt and issuance of the Shares of Preferred Stock to the Purchaser at the Closing are subject to the following conditions being met:

- (i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Purchaser contained herein;
- (ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed;
- (iii) the delivery by the Purchaser of the items set forth in Section 2.3(b) of this Agreement.

and

(b) The obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Company contained herein (except that the representations and warranties of the Company contained herein that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects when made and on the Closing Date);

- (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

and

- (iii) the delivery by the Company of the items set forth in Section 2.3(a) of this Agreement.

ARTICLE III. REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. The Company hereby makes the following representations and warranties to the Purchaser:

(a) Organization and Qualification. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of The Commonwealth of Massachusetts, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Company is not in violation or default of any of the provisions of its Restated Articles of Organization, as amended, and bylaws. The Company is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not, individually or in the aggregate, have or reasonably be expected to result in (i) a material adverse effect on the legality, validity or enforceability of this Agreement, (ii) a material adverse effect on the results of operations, assets, business or condition (financial or otherwise) of the Company, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under this Agreement (any of (i), (ii) or (iii), a "**Material Adverse Effect**").

(b) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder. The execution and delivery of each of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company and no further action is required by the Company, its board of directors or its stockholders in connection therewith other than the Required Approvals. This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(c) No Conflicts. The execution, delivery, and performance of this Agreement by the Company and the sale and issuance of the Shares of Preferred Stock do not and will not (i) conflict with or violate any provision of the Company's Restated Articles of Organization, as amended, or bylaws, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company debt or otherwise) or other understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company is bound or affected, except in the case of each of clauses (ii) and (iii), such as would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect.

(d) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization, or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery, and performance by the Company of this Agreement, other than (i) the filing of the Articles of Amendment with, and the acceptance of such filing by, the Secretary of the Commonwealth of Massachusetts, (ii) if determined necessary by the Company, the filing of Form D with the Commission and such filings, if any, as are required to be made under applicable state securities laws and (iii) any approvals required under the Company's Restated Articles of Organization, as amended, as determined by the Company (collectively, the "**Required Approvals**").

(e) Issuance of Shares of Preferred Stock. The Shares of Preferred Stock are duly authorized and, when issued in accordance with this Agreement, will be duly and validly issued, non-assessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in this Agreement, applicable federal and state securities laws and Liens created by or imposed by the Purchaser. The Conversion Shares have been duly reserved for issuance, and upon issuance in accordance with the terms of the Company's Restated Articles of Organization, as amended, will be validly issued, non-assessable and free of restrictions on transfer other than restrictions on transfer under this Agreement, applicable federal and state securities laws and Liens created by or imposed by a Purchaser.

(f) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "**SEC Reports**") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) Exchange Act Registration. No Registration has been filed.

(h) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the exchange and issuance of the Shares of Preferred Stock by the Company to the Purchaser as contemplated hereby.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as follows:

(a) Organization; Authority. The Purchaser has full legal capacity to execute and deliver this Agreement and the documents representing the Debt and to consummate the transactions contemplated by this Agreement and otherwise to carry out his obligations hereunder. This Agreement has been, and the documents the Debt will be, duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. The Purchaser understands that the Shares of Preferred Stock are “restricted securities” and have not been registered under the Securities Act or any applicable state or other securities law and is acquiring the Shares of Preferred Stock as principal for his own account and not with a view to or for distributing or reselling such Shares of Preferred Stock or any part thereof in violation of the Securities Act or any applicable state or other securities law, has no present intention of distributing any of such Shares of Preferred Stock in violation of the Securities Act or any applicable state or other securities law, and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Shares of Preferred Stock (this representation and warranty not limiting the Purchaser’s right to sell the Shares of Preferred Stock or the Conversion Shares in compliance with the Securities Act and any applicable state or other securities laws) in violation of the Securities Act or any applicable state or other securities law.

(c) Purchaser Status. At the time the Purchaser was offered the Shares of Preferred Stock, the Purchaser was, on the date hereof he is, and on the Closing Date he will be, an “accredited investor” as defined in Rule 501(a) under the Securities Act.

(d) Experience of Such Purchaser. The Purchaser has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares of Preferred Stock and has so evaluated the merits and risks of such investment. The Purchaser understands that the purchase of the Shares of Preferred Stock involves substantial risk. The Purchaser is able to bear the economic risk of an investment in the Shares of Preferred Stock and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. The Purchaser is not purchasing the Shares of Preferred Stock as a result of any advertisement, article, notice or other communication regarding the Shares of Preferred Stock published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(f) Provision of Information. The Purchaser has been afforded (i) the opportunity to ask such questions as he has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the Shares of Preferred Stock, the Debt and the finances, operations and business of the Company; and (ii) the opportunity to request such additional information which the Company possesses or can acquire without unreasonable effort or expense. All of the Purchaser’s questions have been answered to his satisfaction and such Purchaser has received all of such requested additional information.

(g) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by the Purchaser to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank, or other Person with respect to the transactions contemplated by this Agreement.

(h) Residency. The residence or principal place of business of the Purchaser is set forth below the Purchaser's signature on the signature page to this Agreement, and all communications between the Purchaser and the Company regarding the transactions contemplated by this Agreement took place within or from the state of such residence or principal place of business.

(i) Ownership of Shares of Common Stock. Not Applicable.

(j) Acknowledgement. Such Purchaser acknowledges that the Company has relied upon the representations and warranties of the Purchaser set forth in this Section 3.2 in its determination that no registration under the Securities Act is required for the sale and issuance of the Shares of Preferred Stock by the Company to the Purchaser as contemplated by this Agreement.

ARTICLE IV. OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Shares of Preferred Stock and the Conversion Shares may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of the Shares of Preferred Stock and the Conversion Shares other than pursuant to an effective registration statement under the Securities Act or Rule 144, or to the Company, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement.

(b) Certificates evidencing the Shares of Preferred Stock and the Conversion Shares will contain the following legend or such other legend as may be reasonably appropriate under the Securities Act so long as is required by this Section 4.1:

THE OFFER AND SALE OF THIS SECURITY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, SUCH SECURITY MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

If the Purchaser or other holder of the Shares of Preferred Stock or the Conversion Shares is not an Affiliate of the Company, certificates evidencing the Shares of Preferred Stock or the Conversion Shares shall not contain any legend (including the legend set forth in Section 4.1(b), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such securities pursuant to Rule 144, (iii) if such securities are eligible for sale under Rule 144 without limitations, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Securities Exchange Commission). The Company agrees that at such time as such legend is no longer required with respect to such securities under this Section 4.1(b), promptly following the delivery by the Purchaser to the Company or its transfer agent of a certificate representing such securities, it will deliver or cause to be delivered to the Purchaser a certificate representing such securities that is free from all restrictive and other legends.

4.2 Reservation of Common Stock. The Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue the Conversion Shares pursuant to the conversion of the Shares of Preferred Stock.

ARTICLE V. MISCELLANEOUS

5.1 Fees and Expenses. Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement.

5.2 Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address set forth on the signature pages attached hereto prior to 5:30 p.m. (New York City time) on a Business Day, (b) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address set forth on the signature pages attached hereto on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (c) the second Business Day following the date of mailing, if sent by internationally recognized overnight courier service for next business day delivery, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.4 Amendments; Waivers. No provision of this Agreement may be waived, amended, modified or terminated except in a written instrument signed, by the Company and by the Purchaser. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.5 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Purchaser may not assign any or all of his rights under this Agreement to any Person without the prior written consent of the Company.

5.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

5.8 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of The Commonwealth of Massachusetts, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement, and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees, or agents) shall be commenced exclusively in the state and federal courts sitting in The Commonwealth of Massachusetts. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Boston for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Agreement), and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Proceeding is improper or is an inconvenient venue for such Proceeding. The parties hereby waive all rights to a trial by jury.

5.9 Execution. This Agreement may be executed in two counterparts, each of which when taken together shall be considered one and the same agreement and shall become effective against the Company and the Purchaser when counterparts have been signed by the Company and the Purchaser and delivered to each other, it being understood that the Company and the Purchaser need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

5.10 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.11 Construction. The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise this Agreement and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase and Exchange Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Pressure BioSciences Inc.



By:

Name: Richard T. Schumacher
Title: President and Chief Executive Officer

Address for Notice:
14 Norfolk Avenue
South Easton, MA 02375
Facsimile: (508) 580-1829
E-Mail: rschumacher@pressurebiosciences.com
Attention: Richard T. Schumacher

Purchaser:

Name: Accredited Investor

Address for Notice:

[_____]

[_____]

Facsimile:

E-Mail:

Taxpayer Identification Number: On File at the Company

Schedule A

Series AA – dividend (8%)

• Accrued Dividend (May 2, 2018 – Dec 31, 2022)	\$	6,028,158
• Accrued Dividend (Jan 1, 2023 – Feb 22, 2023)	\$	197,967
	\$	<u>6,226,125¹</u>

Promissory Notes – interest (10%)

• Accrued Interest (Nov 15, 2019 – Dec 31, 2022)	\$	2,120,306
• Accrued Interest (Jan 1, 2023 – Feb 22, 2023)	\$	135,281
	\$	<u>2,255,587²</u>

Promissory Notes (“PN”)

• November 15, 2019	\$	320,000
• January 2, 2020	\$	330,000
• January 23, 2020	\$	247,500
• January 29, 2020	\$	363,000
• February 12, 2020	\$	275,000
	\$	<u>1,535,500³</u>

Total Debt to be Exchanged into Series CC Equity: \$ 10,017,212

Purchase Price for each share of Preferred Stock Series CC: \$ 25,000.00

Number of Shares of Series CC Preferred Stock Purchased: 400.6885

No. of Common Stock Equivalents (CSE) from the Series CC: 4,006,885

¹Accrued Series AA Dividends as of February 22, 2023 = \$0.00

²Accrued Promissory Note (“PN”) Interest as of February 22, 2023 = \$0.00

³PN Principal as of February 22, 2023 = \$9,393,150 - \$1,535,500 = \$7,857,650

Schedule B

1. Series CC Preferred Stock Designation and Rank.

(a) Designation. The designation of such series of the Preferred Stock shall be the Series CC Convertible Preferred Stock, par value \$0.01 per share (the “Series CC Preferred Stock”). The maximum number of shares of Series CC Preferred Stock shall be Two Thousand (2,000) shares.

(b) Rank. The Series CC Preferred Stock shall rank prior to the common stock, par value \$0.01 per share (the “Common Stock”), and to all other classes and series of equity securities of the Company which by its terms does not rank on a parity with or senior to the Series CC Preferred Stock (“Junior Stock”). The Series CC Preferred Stock shall be subordinate to and rank junior to all indebtedness of the Company now or hereafter outstanding.

2. Dividends.

(a) Quarterly Dividends. The holders of shares of the Series CC Preferred Stock shall be entitled to receive, out of funds legally available therefor, dividends at an annual rate equal to 8% of the Liquidation Preference Amount (as defined below), calculated on the basis of a 360-day year, consisting of twelve 30-day months, and shall accrue on a daily basis from February 22, 2023. Accrued and unpaid dividends shall compound on a quarterly basis, and shall be, except as set forth in Section 2(b) below, payable in cash. The first such dividend payment shall be due and payable on March 31, 2023, with subsequent dividend payments due and payable on June 30, September 30, and December 31, 2023. Each year thereafter, dividend payments shall be due and payable on March 31, June 30, September 30, and December 31 (each a “Dividend Payment Date”). All accrued and unpaid dividends, if any, shall be mandatorily paid immediately prior to the earlier to occur of (i) a liquidation, dissolution or winding up (or deemed liquidation, dissolution or winding up under Section 4(b) hereof) of the Company (a “Liquidation”), or (ii) a Voluntary Conversion pursuant to Section 5 hereof (the “Mandatory Dividend Payment Date”).

(b) Payment of Dividends. At the option of the Company in compliance with this Section 2(b), the Company may pay dividends on the Series CC Preferred Stock in shares of Common Stock, with each share of Common Stock being valued for this purpose as the VWAP (as hereafter defined) of the Common Stock for the five trading days immediately prior to the Dividend Payment date. In order to pay the dividends in Common Stock, the Company must provide the holders of the Series CC Preferred Stock with at least 10 days’ notice, prior to the Dividend Payment Date, of its election to pay a regularly scheduled dividend in shares of Common Stock (the Company may indicate in such notice that the election contained in such notice shall continue for later periods until revised by a subsequent notice). In the event the Company fails to provide such notice, the dividend shall be payable in cash. Notwithstanding the above, no dividend shall be paid in Common Stock (i) in connection with a Liquidation, (ii) if such payment would cause the limitations on beneficial ownership set forth in Section 7 hereof to be exceeded or (iii) unless the shares of Common Stock received upon such payment shall be freely salable by the recipient pursuant to a then effective registration statement.

(c) Junior Stock Dividends. The Company shall not declare or pay any cash dividends on or make any other distributions with respect to or redeem, purchase, or otherwise acquire for consideration, any shares of Junior Stock unless and until all accrued and unpaid dividends on the Series CC Preferred Stock have been paid in full. In all events, Junior Stock dividends shall be subject to the restrictions set forth in Section 3(a) below.

3. Voting Rights.

(a) Class Voting Rights. The Series CC Preferred Stock shall have the following class voting rights (in addition to the voting rights set forth in Section 3(b) hereof). So long as more than ten percent (10%) of the Series CC Preferred Stock remain outstanding, the Company shall not, and shall not permit any subsidiary to, without the affirmative vote or consent of the holders of at least 75% of the shares of the Series CC Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting, in which the holders of the Series CC Preferred Stock vote separately as a class: (i) authorize, create, issue or increase the authorized or issued amount of any class or series of stock, including but not limited to the issuance of any more shares of previously authorized Preferred Stock, ranking prior to the Series CC Preferred Stock, with respect to the distribution of assets on liquidation, dissolution or winding up; (ii) amend, alter or repeal the provisions of the Series CC Preferred Stock, whether by merger, consolidation or otherwise, so as to adversely affect any right, preference, privilege or voting power of the Series CC Preferred Stock; (iii) repurchase, redeem or pay dividends on (whether in cash, in kind, or otherwise), shares of the Company's Junior Stock; (iv) amend the Articles of Incorporation or By-Laws of the Company so as to affect materially and adversely any right, preference, privilege or voting power of the Series CC Preferred Stock; (v) effect any distribution with respect to Junior Stock or parity stock; (vi) reclassify the Company's outstanding securities; or (vii) effect a transaction with one or more persons or entities whereby such other persons or entities will own more than the 50% of the outstanding shares of Common Stock following such transaction ("Change in Control Transaction").

(b) General Voting Rights. Except with respect to transactions upon which the Series CC Preferred Stock shall be entitled to vote separately as a class pursuant to Section 3(a) above and except as otherwise required by Massachusetts law, the Series CC Preferred Stock shall have no voting rights. The Common Stock into which the Series CC Preferred Stock is convertible shall, upon issuance, have all of the same voting rights as other issued and outstanding Common Stock of the Company.

4. Liquidation Preference.

(a) In the event of the liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, the holders of shares of the Series CC Preferred Stock then outstanding shall be entitled to receive, out of the assets of the Company whether such assets are capital or surplus of any nature, an amount equal to \$25,000.00 per share (the "Liquidation Preference Amount") of the Series CC Preferred Stock, on a pro rata and pari passu basis with any parity stock (the "Pari Passu Preferred Stock"), together with all accrued but unpaid dividends, before any payment shall be made or any assets distributed to the holders of the Common Stock or any other Junior Stock. If the assets of the Company are not sufficient to pay in full the Liquidation Preference Amount payable to the holders of outstanding shares of the Series CC Preferred Stock and any series of preferred stock or any other class of stock on a parity as to rights on liquidation, dissolution or winding up, with the Series CC Preferred Stock, then all of said assets will be distributed among the holders of the Series CC Preferred Stock, the Pari Passu Preferred Stock and the other classes of stock on a parity with the Series CC Preferred Stock, if any, ratably in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full. The liquidation payment with respect to each outstanding fractional share of Series CC Preferred Stock shall be equal to a ratably proportionate amount of the liquidation payment with respect to each outstanding share of Series CC Preferred Stock. All payments for which this Section 4(a) provides shall be in cash, property (valued at its fair market value as determined by an independent appraiser reasonably acceptable to the holders of a majority of the Series CC Preferred Stock) or a combination thereof; provided, however, that no cash shall be paid to holders of Junior Stock unless each holder of the outstanding shares of Series CC Preferred Stock has been paid in cash the full Liquidation Preference Amount to which such holder is entitled as provided herein. After payment of the full Liquidation Preference Amount to which each holder is entitled, such holders of shares of Series CC Preferred Stock will not be entitled to any further participation as such in any distribution of the assets of the Company.

Notwithstanding the foregoing, at the option of the holder of Series CC Preferred Shares, such holder may elect to convert the entire Liquidation Preference Amount into shares of Common Stock pursuant to a Voluntary Conversion as set forth in Section 5(a), effective immediately prior to liquidation event.

(b) A consolidation or merger of the Company with or into any other corporation or corporations, or a sale or transfer of more than 50% of the assets of the Company, or the effectuation by the Company of a transaction or series of transactions in which more than 50% of the voting shares of the Company is disposed of or conveyed, shall be, at the election of the holders of 75% of the Series CC Preferred Stock, deemed to be a liquidation, dissolution, or winding up within the meaning of this Section 4. In the event of the merger or consolidation of the Company with or into another corporation that is not treated as a liquidation pursuant to this Section 4(b), the Series CC Preferred Stock shall maintain its relative powers, designations and preferences provided for herein and no merger shall result inconsistent therewith.

(c) Written notice of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, stating a payment date and the place where the distributable amounts shall be payable, shall be given by mail, postage prepaid, no less than thirty (30) days prior to the payment date stated therein, to the holders of record of the Series CC Preferred Stock at their respective addresses as the same shall appear on the books of the Company.

5. Conversion. The holder of Series CC Preferred Stock shall have the following conversion rights (the "Conversion Rights"):

(a) Right to Convert. At any time on or after the Issuance Date, the holder of any such shares of Series CC Preferred Stock may, at such holder's option, subject to the limitations set forth in Section 7 herein, elect to convert (a "Voluntary Conversion") all or any portion of the shares of Series CC Preferred Stock held by such person, together with accrued but unpaid dividends thereon, into a number of fully paid and nonassessable shares of Common Stock (the "Conversion Shares") equal to the quotient of (i) the Liquidation Preference Amount of the shares of Series CC Preferred Stock being converted thereon divided by (ii) the Conversion Price (as defined in Section 5(d) below) then in effect as of the date of the delivery by such holder of its notice of election to convert. The Company shall keep written records of the conversion of the shares of Series CC Preferred Stock converted by each holder. A holder shall be required to deliver the original certificates representing the shares of Series CC Preferred Stock upon complete conversion of the Series CC Preferred Stock.

(b) Mechanics of Conversion. The Voluntary Conversion of Series CC Preferred Stock shall be conducted in the following manner:

(i) Holder's Delivery Requirements. To convert Series CC Preferred Stock into full shares of Common Stock on any date (the "Voluntary Conversion Date"), the holder thereof shall (A) transmit by facsimile (or otherwise deliver), for receipt on or prior to 5:00 p.m., New York time on such date, a copy of a fully executed notice of conversion in the form attached hereto as Exhibit I (the "Conversion Notice"), to the Company, and (B) with respect to the final conversion of shares of Series CC Preferred Stock held by any holder, such holder shall surrender to a common carrier for delivery to the Company as soon as practicable following such Conversion Date but in no event later than five (5) business days after such date the original certificates representing the shares of Series CC Preferred Stock being converted (or an indemnification undertaking with respect to such shares in the case of their loss, theft or destruction) (the "Preferred Stock Certificates").

(ii) Company's Response. Within two (2) business days following the Conversion Notice delivery date (the "Registered Share Delivery Date"), the Company shall transmit the shares of Common Stock to the holder by crediting the account of the holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and there is an effective registration statement permitting the issuance of the shares to or resale of the shares by the holder. Within three (3) business days following the Conversion Notice delivery date (the "144 Share Delivery Date"), the Company shall transmit the shares of Common Stock to the holder by crediting the account of the holder's prime broker with The Depository Trust Company through the DWAC system if the Company is then a participant in such system and the shares are eligible for resale by the holders without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by physical delivery to the holder. In case of conversion under this Section 5 of only a part of the shares of Series CC Preferred Stock represented by a certificate surrendered to the Company, the Company shall issue and deliver a new certificate for the number of shares of Series CC Preferred Stock which have not been converted, upon receipt of the original certificate or certificates representing shares of Series CC Preferred Stock so converted. Until such time as the certificate or certificates representing shares of Series CC Preferred Stock which have been converted are surrendered to the Company and a certificate or certificates representing the Common Stock into which such shares of Series CC Preferred Stock have been converted have been issued and delivered, the certificate or certificates representing the shares of Series CC Preferred Stock which have been converted shall represent the shares of Common Stock into which such shares of Series CC Preferred Stock have been converted. The Company shall pay all documentary, stamp or similar issue or transfer tax due on the issue of shares of Common Stock issuable upon conversion of the Series CC Preferred Stock.

(iii) Dispute Resolution. In the case of a dispute as to the arithmetic calculation of the number of shares of Common Stock to be issued upon conversion, the Company shall promptly issue to the holder the number of shares of Common Stock that is not disputed and shall submit the arithmetic calculations to the holder via facsimile as soon as possible, but in no event later than three (3) business days after receipt of such holder's Conversion Notice. If such holder and the Company are unable to agree upon the arithmetic calculation of the number of shares of Common Stock to be issued upon such conversion within three (3) business day of such disputed arithmetic calculation being submitted to the holder, then the Company shall within three (3) business day submit via facsimile the disputed arithmetic calculation of the number of shares of Common Stock to be issued upon such conversion to the Company's independent, outside accountant. The Company shall cause the accountant to perform the calculations and notify the Company and the holder of the results no later than seventy-two (72) hours from the time it receives the disputed calculations. Such accountant's calculation shall be binding upon all parties absent manifest error. The reasonable expenses of such accountant in making such determination shall be paid by the Company, in the event the holder's calculation was correct, or by the holder, in the event the Company's calculation was correct, or equally by the Company and the holder in the event that neither the Company's or the holder's calculation was correct. The period of time in which the Company is required to effect conversions or redemptions under this Certificate of Designation shall be tolled with respect to the subject conversion or redemption pending resolution of any dispute by the Company made in good faith and in accordance with this Section 5(b)(iii).

(iv) Record Holder. The person or persons entitled to receive the shares of Common Stock issuable upon a conversion of the Series CC Preferred Stock shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date.

(v) Company's Failure to Timely Convert. If within three (3) business days of the Company's receipt of the Conversion Notice (the "Share Delivery Period") the Company shall fail to issue and deliver to a holder the undisputed number of shares of Common Stock to which such holder is entitled upon such holder's conversion of the Series CC Preferred Stock (a "Conversion Failure"), in addition to all other available remedies which such holder may pursue, the Company shall pay additional damages to such holder on each business day after such third (3rd) business day that such conversion is not timely effected in an amount equal 0.5% of the product of (A) the sum of the number of shares of Common Stock not issued to the holder on a timely basis pursuant to Section 5(b)(ii) and to which such holder is entitled and (B) the VWAP (as defined below) of the Common Stock on the last possible date which the Company could have issued such Common Stock to such holder without violating Section 5(b)(ii). If the Company fails to pay the additional damages set forth in this Section 5(b)(v) within five (5) business days of the date incurred, then such payment shall bear interest at the rate of 2% per month (prorated for partial months) until such payments are made. "VWAP" means, for any security as of any date, the dollar volume-weighted average price for such security on the principal market or exchange during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the holder. If the Company and the holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 5(b)(iii) above. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(c) Company Forced Conversion. The Company shall have the right, subject to satisfaction of the conditions in this Section 5(c), to cause the conversion of all shares of Series CC Preferred Stock into Common Stock ("Forced Conversion"). The Company shall deliver prior written notice to the Holder at least ten (10) business days ("Forced Conversion Notice") prior to the effective date (the "Forced Conversion Effective Date") of such Forced Conversion. Following the effectiveness of a registration statement permitting the resale of the Conversion Shares held by holders of the Series CC Preferred Stock the Company may effectuate a Forced Conversion if either of the following conditions are satisfied as of the Forced Conversion Effective Date: (i) the VWAP of the Common Stock shall equal or exceed 300% of the Conversion Price for either 10 consecutive trading days, or 15 of 25 consecutive trading days immediately preceding the date of the Forced Conversion Notice; or (ii) listing of the Common Stock on any national securities exchange (NYSE, NYSE American or Nasdaq). The Company shall not have an obligation to register the Conversion Shares of the shares of Series CC Preferred Stock that are issued pursuant to any exchange of previously issued securities.

Upon any Forced Conversion, all accrued but unpaid dividends shall be paid and the Company shall transmit the shares of Common Stock to the holder by crediting the account of the holder's prime broker with The Depository Trust Company through DWAC if the Company is then a participant in such system, and otherwise by physical delivery to the holder. If within three (3) business days of the Forced Conversion Effective Date, the Company shall fail to issue and deliver to a holder the number of shares of Common Stock to which such holder is entitled upon such Forced Conversion, in addition to all other available remedies which such holder may pursue, the Company shall pay additional damages to such holder on each business day after such third (3rd) business day that such conversion is not timely effected in an amount equal 0.5% of the product of (A) the sum of the number of shares of Common Stock not issued to the holder on a timely basis pursuant to Section 5(c) and to which such holder is entitled, and (B) the VWAP of the Common Stock on the last possible date which the Company could have issued such Common Stock to such holder without violating Section 5(c). If the Company fails to pay the additional damages set forth in this Section 5(c) within five (5) business days of the date incurred, then such payment shall bear interest at the rate of 2% per month (prorated for partial months) until such payments are made.

If any shares of Series CC Preferred Stock cannot be fully converted into Common Stock of the Company upon a Forced Conversion due to the Conversion Restriction, such shares of Series CC Preferred Stock shall remain unconverted. However, upon such Forced Conversion until such time as the shares of Series CC Preferred Stock are in fact converted into Common Stock, the following rights, preferences, and privileges of the Series CC Preferred Stock shall be of no further force or effect: dividend rights pursuant to Section 2; anti-dilution rights pursuant to Section 5(e)(vi); liquidation preference pursuant to Section 4; and the additional covenants set forth in Section 8.

(d) Conversion Price. The term "Conversion Price" shall mean \$2.50 per share, subject to adjustment under Section 5(e) hereof.

(e) Adjustments of Conversion Price.

(i) Adjustments for Stock Splits and Combinations. If the Company shall at any time or from time to time after the Issuance Date, effect a stock split of the outstanding Common Stock, the Conversion Price shall be proportionately decreased. If the Company shall at any time or from time to time after the Issuance Date, combine the outstanding shares of Common Stock, the Conversion Price shall be proportionately increased. Any adjustments under this Section 5(e)(i) shall be effective at the close of business on the date the stock split or combination occurs.

(ii) Adjustments for Certain Dividends and Distributions. If the Company shall at any time or from time to time after the Issuance Date, make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in shares of Common Stock, then, and in each event, the Conversion Price shall be decreased as of the time of such issuance or, in the event such record date shall have been fixed, as of the close of business on such record date, by multiplying, as applicable, the Conversion Price then in effect by a fraction:

- (1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and
- (2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

(iii) Adjustment for Other Dividends and Distributions. If the Company shall at any time or from time to time after the Issuance Date, make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in securities of the Company other than shares of Common Stock, then, and in each event, an appropriate revision to the applicable Conversion Price shall be made and provision shall be made (by adjustments of the Conversion Price or otherwise) so that the holders of Series CC Preferred Stock shall receive upon conversions thereof, in addition to the number of shares of Common Stock receivable thereon, the number of securities of the Company which they would have received had their Series CC Preferred Stock been converted into Common Stock immediately prior to such event (or the record date for such event, if applicable) and had thereafter, during the period from the date of such event to and including the Conversion Date, retained such securities (together with any distributions payable thereon during such period), giving application to all adjustments called for during such period under this Section 5(e)(iii) with respect to the rights of the holders of the Series CC Preferred Stock.

(iv) Adjustments for Reclassification, Exchange or Substitution. If the Common Stock issuable upon conversion of the Series CC Preferred Stock at any time or from time to time after the Issuance Date shall be changed to the same or different number of shares of any class or classes of stock, whether by reclassification, exchange, substitution or otherwise (other than by way of a stock split or combination of shares or stock dividends provided for in Sections 5(e)(i), (ii) and (iii), or a reorganization, merger, consolidation, or sale of assets provided for in Section 5(e)(v)), then, and in each event, an appropriate revision to the Conversion Price shall be made and provisions shall be made (by adjustments of the Conversion Price or otherwise) so that the holder of each share of Series CC Preferred Stock shall have the right thereafter to convert such share of Series CC Preferred Stock into the kind and amount of shares of stock and other securities receivable upon reclassification, exchange, substitution or other change, by holders of the number of shares of Common Stock into which such share of Series CC Preferred Stock might have been converted immediately prior to such reclassification, exchange, substitution or other change, all subject to further adjustment as provided herein.

(v) Adjustments for Reorganization, Merger, Consolidation or Sales of Assets. If at any time or from time to time after the Issuance Date there shall be a capital reorganization of the Company (other than by way of a stock split or combination of shares or stock dividends or distributions provided for in Section 5(e)(i), (ii) and (iii), or a reclassification, exchange or substitution of shares provided for in Section 5(e)(iv)), or a merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all of the Company's properties or assets to any other person that is not deemed a liquidation pursuant to Section 4(b) (an "Organic Change"), then as a part of such Organic Change an appropriate revision to the Conversion Price shall be made and provision shall be made (by adjustments of the Conversion Price or otherwise) so that the holder of each share of Series CC Preferred Stock shall have the right thereafter to convert such share of Series CC Preferred Stock into the kind and amount of shares of stock and other securities or property of the Company or any successor corporation resulting from the Organic Change as the holder would have received as a result of the Organic Change and if the holder had converted its Series CC Preferred Stock into the Company's Common Stock prior to the Organic Change. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5(e)(v) with respect to the rights of the holders of the Series CC Preferred Stock after the Organic Change to the end that the provisions of this Section 5(e)(v) (including any adjustment in the Conversion Price then in effect and the number of shares of stock or other securities deliverable upon conversion of the Series CC Preferred Stock) shall be applied after that event in as nearly an equivalent manner as may be practicable.

(vi) Subsequent Equity Sales. If, at any time while shares of Series CC Preferred Stock are outstanding, the Company or any subsidiary, as applicable, sells or grants any option to purchase or sells or grants any right to repurchase outstanding securities, or otherwise disposes of or issues (or announces any sale, grant or any option to purchase or other disposition), any Common Stock or any security convertible or exchangeable into Common Stock (a "Common Stock Equivalent"), entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the then Conversion Price (such lower price, the "Base Conversion Price" and such issuances, collectively, a "Dilutive Issuance") (if the holder of the Common Stock or Common Stock Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive shares of Common Stock at an effective price per share that is lower than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on such date of the Dilutive Issuance), then the Conversion Price shall be reduced to equal the Base Conversion Price. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. Notwithstanding the foregoing, no adjustment will be made under this Section in respect of an Exempt Issuance (as hereafter defined). The Company shall notify the Holder in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalents subject to this Section, indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice, upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Conversion Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether the Holder accurately refers to the Base Conversion Price in the Notice of Conversion. Notwithstanding the foregoing, if any shares of Series CC Preferred Stock cannot be fully converted into Common Stock of the Company upon a Forced Conversion due to the Conversion Restriction, such shares of Series CC Preferred Stock shall remain unconverted. However, upon such Forced Conversion this Section 5(e)(vi); shall be of no further force or effect in accordance with Section 5(c).

(a) For the purposes hereof, an Exempt Issuance shall mean: the issuance of (a) shares of Common Stock or options or other stock based awards to employees, officers or directors and consultants of the Company pursuant to the Company's stock or option plans existing as of the date hereof, to employees, officers or directors and consultants of the Company pursuant to a written agreement, provided that such shares of Common Stock are not registered and carry no registration rights other than on Form S-8, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the original Issue Date of this Series CC Preferred Stock, provided that such securities have not been amended or has a provision, since the date of this Agreement, to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities. An Exempt Issuance shall not include any Change in Control Transaction.

(vii) Consideration for Stock. In case any shares of Common Stock or convertible securities other than the Series CC Preferred Stock, or any rights or warrants or options to purchase any such Common Stock or Convertible securities, shall be issued or sold in connection with any merger or consolidation in which the Company is the surviving corporation (other than any consolidation or merger in which the previously outstanding shares of Common Stock of the Company shall be changed to or exchanged for the stock or other securities of another corporation), the amount of consideration therefor shall be deemed to be the fair value, as determined reasonably and in good faith by the Board of Directors of the Company, of such portion of the assets and business of the non-surviving corporation as such Board may determine to be attributable to such shares of Common Stock, Convertible securities, rights or warrants or options, as the case may be.

(viii) Record Date. In case the Company shall take record of the holders of its Common Stock or any other Preferred Stock for the purpose of entitling them to subscribe for or purchase Common Stock or Convertible securities, then the date of the issue or sale of the shares of Common Stock shall be deemed to be such record date.

(f) No Impairment. The Company shall not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith, assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series CC Preferred Stock against impairment. In the event a holder shall elect to convert any shares of Series CC Preferred Stock as provided herein, the Company cannot refuse conversion based on any claim that such holder or any one associated or affiliated with such holder has been engaged in any violation of law, unless, an injunction from a court, on notice, restraining and/or enjoining conversion of all or of said shares of Series CC Preferred Stock shall have been issued and the Company posts a surety bond for the benefit of such holder in an amount equal to 130% of the Liquidation Preference Amount of the Series CC Preferred Stock such holder has elected to convert, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such holder in the event it obtains judgment.

(g) Certificates as to Adjustments. Upon occurrence of each adjustment or readjustment of the Conversion Price or number of shares of Common Stock issuable upon conversion of the Series CC Preferred Stock pursuant to this Section 5, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of such Series CC Preferred Stock a certificate setting forth such adjustment and readjustment, showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon written request of the holder of such affected Series CC Preferred Stock, at any time, furnish or cause to be furnished to such holder a like certificate setting forth such adjustments and readjustments, the Conversion Price in effect at the time, and the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon the conversion of a share of such Series CC Preferred Stock. Notwithstanding the foregoing, the Company shall not be obligated to deliver a certificate unless such certificate would reflect an increase or decrease of at least one percent of such adjusted amount.

(h) Issue Taxes. The Company shall pay any and all issue and other taxes, excluding federal, state or local income taxes, that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of shares of Series CC Preferred Stock pursuant thereto; provided, however, that the Company shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

(i) Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by facsimile or three (3) business days following being mailed by certified or registered mail, postage prepaid, return-receipt requested, addressed to the holder of record at its address appearing on the books of the Company. The Company will give written notice to each holder of Series CC Preferred Stock at least twenty (20) days prior to the date on which the Company closes its books or takes a record (I) with respect to any dividend or distribution upon the Common Stock, (II) with respect to any pro rata subscription offer to holders of Common Stock or (III) for determining rights to vote with respect to any Organic Change, dissolution, liquidation or winding-up and in no event shall such notice be provided to such holder prior to such information being made known to the public. The Company will also give written notice to each holder of Series CC Preferred Stock at least twenty (20) days prior to the date on which any Organic Change, dissolution, liquidation or winding-up will take place and in no event shall such notice be provided to such holder prior to such information being made known to the public.

(j) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series CC Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall at its option either (i) pay cash equal to the product of such fraction multiplied by the average of the VWAP of the Common Stock for the five (5) consecutive trading days immediately preceding the Voluntary Conversion Date, or (ii) in lieu of issuing such fractional shares issue one additional whole share to the holder.

(k) Reservation of Common Stock. The Company shall, so long as any shares of Series CC Preferred Stock are outstanding, reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Series CC Preferred Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all of the Series CC Preferred Stock then outstanding; provided that the number of shares of Common Stock so reserved shall at no time be less than 120% of the number of shares of Common Stock for which the shares of Series CC Preferred Stock are at any time convertible (without regard to the limitations on conversion set forth in Section 7 hereof). The initial number of shares of Common Stock reserved for conversions of the Series CC Preferred Stock and each increase in the number of shares so reserved shall be allocated pro rata among the holders of the Series CC Preferred Stock based on the number of shares of Series CC Preferred Stock held by each holder at the time of issuance of the Series CC Preferred Stock or increase in the number of reserved shares, as the case may be. In the event a holder shall sell or otherwise transfer any of such holder's shares of Series CC Preferred Stock, each transferee shall be allocated a pro rata portion of the number of reserved shares of Common Stock reserved for such transferor. Any shares of Common Stock reserved, and which remain allocated to any person or entity which does not hold any shares of Series CC Preferred Stock, shall be allocated to the remaining holders of Series CC Preferred Stock, pro rata based on the number of shares of Series CC Preferred Stock then held by such holder.

(l) Retirement of Series CC Preferred Stock. Conversion of Series CC Preferred Stock shall be deemed to have been effected on the applicable Voluntary Conversion Date or upon the Forced Conversion Effective Date. The Company shall keep written records of the conversion of the shares of Series CC Preferred Stock converted by each holder. A holder shall be required to deliver the original certificates representing the shares of Series CC Preferred Stock upon complete conversion of the Series CC Preferred Stock.

(m) Regulatory Compliance. If any shares of Common Stock to be reserved for the purpose of conversion of Series CC Preferred Stock require registration or listing with or approval of any governmental authority, stock exchange or other regulatory body under any federal or state law or regulation or otherwise before such shares may be validly issued or delivered upon conversion, the Company shall, at its sole cost and expense, in good faith and as expeditiously as possible, endeavor to secure such registration, listing or approval, as the case may be.

6. No Preemptive Rights. No holder of the Series CC Preferred Stock shall be entitled to rights to subscribe for, purchase or receive any part of any new or additional shares of any class, whether now or hereinafter authorized, or of bonds or debentures, or other evidences of indebtedness convertible into or exchangeable for shares of any class, but all such new or additional shares of any class, or any bond, debentures or other evidences of indebtedness convertible into or exchangeable for shares, may be issued and disposed of by the Board of Directors on such terms and for such consideration (to the extent permitted by law), and to such person or persons as the Board of Directors in their absolute discretion may deem advisable.

7. Conversion Restriction.

Notwithstanding anything to the contrary set forth in Section 5 of this Certificate of Designation, at no time may a holder of shares of Series CC Preferred Stock convert shares of the Series CC Preferred Stock if the number of shares of Common Stock to be issued pursuant to such conversion would exceed, when aggregated with all other shares of Common Stock owned by such holder at such time, the number of shares of Common Stock which would result in such holder beneficially owning (as determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules thereunder) in excess of 4.99% of all of the Common Stock outstanding at such time (the "Conversion Restriction"); provided, however, that upon a holder of Series CC Preferred Stock providing the Company with sixty-one (61) days' notice (pursuant to Section 5(i) hereof) (the "Waiver Notice") that such holder would like to waive Section 7 of this Certificate of Designation with regard to any or all shares of Common Stock issuable upon conversion of Series CC Preferred Stock, this Section 7 shall be of no force or effect with regard to those shares of Series CC Preferred Stock referenced in the Waiver Notice.

8. Additional Covenants. For as long as there has not been a Forced Conversion, the Company shall not: (i) issue any variable priced equity or variable priced equity linked securities; or (ii) issue any additional shares of preferred or convertible debt that rank in terms of liquidation preference or any other priority senior to the Series CC Preferred Stock, without prior written permission of holder of 75% of the then outstanding shares of Series CC Preferred Stock. In addition, the Company agrees that upon listing of the Common Stock on any national securities exchange (NYSE, NYSE American or Nasdaq), the Company will not issue any Common Stock or Common Stock equivalents at a price below the initial listing price on any such exchange for a period of 12 months from the date of listing.

9. Inability to Fully Convert.

(a) Holder's Option if Company Cannot Fully Convert. If, upon the Company's receipt of a Conversion Notice, the Company cannot issue shares of Common Stock registered for resale or such shares cannot be sold pursuant to Rule 144 for any reason, including, without limitation, because the Company (x) does not have a sufficient number of shares of Common Stock authorized and available, (y) is otherwise prohibited by applicable law or by the rules or regulations of any stock exchange, interdealer quotation system or other self-regulatory organization with jurisdiction over the Company or its securities from issuing all of the Common Stock which is to be issued to a holder of Series CC Preferred Stock pursuant to a Conversion Notice or (z) fails to have a sufficient number of shares of Common Stock registered for resale in such holder's name, then the Company shall issue as many shares of Common Stock as it is able to issue in accordance with such holder's Conversion Notice and pursuant to Section 5(b)(ii) above and, with respect to the unconverted Series CC Preferred Stock, the holder, solely at such holder's option, can elect, in addition to other remedies available to such holder, within five (5) business days after receipt of notice from the Company thereof to:

(i) require the Company to redeem from such holder those shares of Series CC Preferred Stock for which the Company is unable to issue Common Stock in accordance with such holder's Conversion Notice ("Mandatory Redemption") at a price per share equal to 120% of the Liquidation Preference Amount as of such Conversion Date (the "Mandatory Redemption Price");

(ii) if the Company's inability to fully convert Series CC Preferred Stock pursuant to Section 9(a)(z) above, require the Company to issue restricted shares of Common Stock in accordance with such holder's Conversion Notice and pursuant to Section 5(b)(ii) above;

(iii) void its Conversion Notice and retain or have returned, as the case may be, the shares of Series CC Preferred Stock that were to be converted pursuant to such holder's Conversion Notice (provided that a holder's voiding its Conversion Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice).

In the event a Holder shall elect to convert any shares of Series CC Preferred Stock as provided herein, the Company cannot refuse conversion based on any claim that such Holder or any one associated or affiliated with such Holder has been engaged in any violation of law, violation of an agreement to which such Holder is a party or for any reason whatsoever, unless, an injunction from a court, on notice, restraining and or enjoining conversion of all or of said shares of Series CC Preferred Stock shall have issued and the Company posts a surety bond for the benefit of such Holder in an amount equal to 130% of the amount of shares of Series CC Preferred Stock the Holder has elected to convert, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such Holder in the event it obtains judgment.

(b) Mechanics of Fulfilling Holder's Election. The Company shall immediately send via facsimile to a holder of Series CC Preferred Stock, upon receipt of a facsimile copy of a Conversion Notice from such holder which cannot be fully satisfied as described in Section 9(a) above, a notice of the Company's inability to fully satisfy such holder's Conversion Notice (the "Inability to Fully Convert Notice"). Such Inability to Fully Convert Notice shall indicate (i) the reason why the Company is unable to fully satisfy such holder's Conversion Notice, (ii) the number of Series CC Preferred Stock which cannot be converted and (iii) the applicable Mandatory Redemption Price. Such holder shall notify the Company of its election pursuant to Section 9(a) above by delivering written notice via facsimile to the Company ("Notice in Response to Inability to Convert").

(c) Payment of Redemption Price. If such holder shall elect to have its shares redeemed pursuant to Section 9(a)(i) above, the Company shall pay the Mandatory Redemption Price to such holder within thirty (30) days of the Company's receipt of the holder's Notice in Response to Inability to Convert, provided that prior to the Company's receipt of the holder's Notice in Response to Inability to Convert the Company has not delivered a notice to such holder stating, to the satisfaction of the holder, that the event or condition resulting in the Mandatory Redemption has been cured and all shares of Common Stock issuable to such holder can and will be delivered to the holder in accordance with the terms of Section 2(c). If the Company shall fail to pay the applicable Mandatory Redemption Price to such holder on a timely basis as described in this Section 9(c) (other than pursuant to a dispute as to the determination of the arithmetic calculation of the Redemption Price), in addition to any remedy such holder of Series CC Preferred Stock may have, such unpaid amount shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Until the full Mandatory Redemption Price is paid in full to such holder, such holder may (i) void the Mandatory Redemption with respect to those Series CC Preferred Stock for which the full Mandatory Redemption Price has not been paid, (ii) receive back such Series CC Preferred Stock, and (iii) require that the Conversion Price of such returned Series CC Preferred Stock be adjusted to the lesser of (A) the Conversion Price and (B) the lowest VWAP of the Common Stock during the period beginning on the Conversion Date and ending on the date the holder voided the Mandatory Redemption.

(d) Pro-rata Conversion and Redemption. In the event the Company receives a Conversion Notice from more than one holder of Series CC Preferred Stock on the same day and the Company can convert and redeem some, but not all, of the Series CC Preferred Stock pursuant to this Section 9, the Company shall convert and redeem from each holder of Series CC Preferred Stock electing to have Series CC Preferred Stock converted and redeemed at such time an amount equal to such holder's pro-rata amount (based on the number shares of Series CC Preferred Stock held by such holder relative to the number shares of Series CC Preferred Stock outstanding) of all shares of Series CC Preferred Stock being converted and redeemed at such time.

10. Vote to Change the Terms of or Issue Preferred Stock. The affirmative vote at a meeting duly called for such purpose or the written consent without a meeting, of the holders of not less than 75% of the then outstanding shares of Series CC Preferred Stock, shall be required (a) for any change to this Certificate of Designation or the Company's Articles of Incorporation which would amend, alter, change or repeal any of the powers, designations, preferences and rights of the Series CC Preferred Stock or (b) for the issuance of shares of Series CC Preferred Stock.

11. Lost or Stolen Certificates. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock Certificates representing the shares of Series CC Preferred Stock, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock certificate(s) of like tenor and date.

12. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designation shall be cumulative and in addition to all other remedies available under this Certificate of Designation, at law or in equity (including a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Certificate of Designation. Amounts set forth or provided for herein with respect to payments, conversion, and the like (and the computation thereof) shall be the amounts to be received by the holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the holders of the Series CC Preferred Stock and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holders of the Series CC Preferred Stock shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

13. Specific Shall Not Limit General; Construction. No specific provision contained in this Certificate of Designation shall limit or modify any more general provision contained herein. This Certificate of Designation shall be deemed to be jointly drafted by the Company and all initial purchasers of the Series CC Preferred Stock and shall not be construed against any person as the drafter hereof.

14. Failure or Indulgence Not Waiver. No failure or delay on the part of a holder of Series CC Preferred Stock in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power, or privilege.

IN WITNESS WHEREOF, the undersigned has executed and subscribed this Certificate and does affirm the foregoing as true this 28th day of February 2023.

By:

Title:

Dated:

EXHIBIT I

PRESSURE BIOSCIENCES, INC.
CONVERSION NOTICE

Reference is made to the Certificate of Designation of the Relative Rights and Preferences of the Series CC Preferred Stock of Pressure BioSciences, Inc. (the "Certificate of Designation"). In accordance with and pursuant to the Certificate of Designation, the undersigned hereby elects to convert the number of shares of Series CC Preferred Stock, par value \$0.01 per share (the "Preferred Shares"), of Pressure BioSciences, Inc., a Massachusetts corporation (the "Company"), indicated below into shares of Common Stock, par value \$0.01 per share (the "Common Stock"), of the Company, by tendering the stock certificate(s) representing the share(s) of Preferred Shares specified below as of the date specified below.

Date of Conversion: _____

Number of Preferred Shares to be converted: _____

Stock certificate no(s). of Preferred Shares to be converted: _____

The Common Stock have been sold pursuant to the Registration Statement (as defined in the Registration Rights Agreement): YES ___ NO ___

The holder wishes to exercise on a cashless basis: YES ___ NO ___

Please confirm the following information:

Conversion Price: _____

Number of shares of Common Stock to be issued: _____

Number of shares of Common Stock beneficially owned or deemed beneficially owned by the Holder on the Date of Conversion determined in accordance with Section 16 of the Securities Exchange Act of 1934, as amended: _____

Please issue the Common Stock into which the Preferred Shares are being converted and, if applicable, any check drawn on an account of the Company in the following name and to the following address:

Issue to: _____

Facsimile Number: _____

Authorization: _____

PRESSURE BIOSCIENCES, INC.
NOTICE OF CONVERSION

(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SHARES
OF PREFERRED STOCK)

The undersigned hereby elects to convert that certain number of shares of **Series D, Series G, Series H, Series H2, Series J and Series K** Convertible Preferred Stock (the "Preferred Stock") indicated below and outlined in Schedule A into shares of common stock, par value \$0.01 per share (the "Common Stock") of Pressure BioSciences, Inc., a Massachusetts corporation (the "Company"), according to the conditions hereof, as of the date written below.

If shares of Common Stock are to be issued in the name of a Person other than the undersigned, the Company will pay all transfer taxes payable with respect thereto and is delivering herewith such conversion notices as may be required by the Company in accordance with the respective purchase agreements. No fee will be charged to the Holder for any conversion.

By signature below, the undersign attests that he has not been an Affiliate of Pressure BioSciences over the past ninety (90) days.

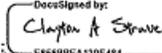
Conversion calculations:

- Date to Effect Conversion: February 28, 2023
- Number of Shares of Preferred Stock owned prior to Conversion: 101,154
- Number of Shares of Preferred Stock to be Converted: 101,154
- Share Value of Preferred Stock to be Converted: Various (See Schedule)
- Number of shares of Common Stock to be issued: 493,540.
- Applicable Conversion Price: Various (See Schedule)
- Preferred Stock Shares After Conversion: NONE

Address for Delivery: Computershare Trust Company, N.A.

Account Name: Clayton A. Struve

Account Number: C0000110361

DocuSigned by:

 By: _____
 Name: Clayton A. Struve


 By: _____
 Approved: Richard T. Schumacher
 President, PBI

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase and Exchange Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Pressure BioSciences Inc.

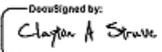
Address for Notice:


By:
Name: Richard T. Schumacher
Title: President and Chief Executive Officer

14 Norfolk Avenue
Easton, MA 02375
Facsimile: (508) 580-1829
E-Mail:
rschumacher@pressurebiosciences.com
Attention: Richard T. Schumacher

Purchaser:

Address for Notice:


DocuSigned by:
Clayton A. Struve
Name: Clayton A. Struve

[]
[]
Facsimile:
E-Mail:

Taxpayer Identification Number: On File at the Company

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: November 20, 2023

/s/ Richard T. Schumacher

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

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: November 20, 2023

/s/ Richard T. Schumacher

Richard T. Schumacher
Principal Financial Officer

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 September 30, 2023 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: November 20, 2023

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.

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 September 30, 2023 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: November 20, 2023

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.
