

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Byrna Technologies Inc. (the "Issuer").

Trading Symbol: BYRN

Number of Outstanding Listed Securities: 133,332,677

Date: July 7, 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.  
**During June 2020 the Company saw unprecedented demand for its Byrna® HD personal security device which management attributes to the ongoing pandemic, civil unrest, and growing awareness of the product furthered by mention of the device on a FOX News station piece by Sean Hannity. This demand has resulted in substantial backorders, and the Company is working on increasing production in South Africa, as well as endeavouring to commence manufacturing by the end of August 2020 at a previously planned second manufacturing facility in the U.S. In press releases dated June 2 and June 10 (filed with the CSE and on SEDAR) and in a letter to customers filed as an exhibit to an 8K filed with the SEC on June 23 (and with the CSE and SEDAR) the company discussed these issues and its related plans. The Company also discussed projected earnings for the quarter ended May**

**31, 2020 in a press release dated June 9, 2020 filed with the CSE on the same date. During the month of June the Company moved its headquarters to new offices in Andover MA which will include a new research and development center.**

2. Provide a general overview and discussion of the activities of management.

**See response to item 1. Management is focused on expanding production and addressing supply chain and importation constraints complicated by the increased demand and ongoing pandemic to address the order backlog and on expanding and improving our infrastructure to tighten controls and increase internal administrative capabilities. This includes taking on additional space, hiring additional personnel in the US and in SA, and otherwise investing in infrastructure.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**N/A.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**N/A.**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**The Company is in the process of expanding its distribution center in the US and expanding its manufacturing capacity in the US and South Africa and has also taken additional space in Nevada. None of these relationships are with Related Persons.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**On June 3 and June 8, 2020 the Company issued notices of early termination of warrants that were issued to placement agents and non-agent investors in connection with 2017 private placements. Over 500,000 Agent warrants (at \$0.15 exercise price) were terminated effective July 3 and approximately 18 million non-agent warrants (exercisable at \$0.18 US) will terminate effective August 31. See response to item 14 below.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**N/A**

8. Describe the acquisition of new customers or loss of customers.

**The Company regularly takes orders from new customers through its e-commerce sites and adds dealers to its dealer networks. See responses to items 1, 2 and 5.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

**None.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**The Company has added a number of employees to its sales and marketing and customer services departments, primarily in Las Vegas Nevada. The Company has announced additional anticipated hiring in South Africa and Fort Wayne Indiana to ramp up manufacturing and distribution as described in the press releases and Form 8K referenced in our responses to items 1, 2 and 5 above.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**None.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**N/A.**

14. Provide details of any securities issued and options or warrants granted.

**On June 8, 2020 Company issued 72,000 shares of common stock to a consultant for services rendered in April and May pursuant to his contract. During the months of May and June the Company issued 7,079,033 common shares to holders of warrants issued in 2017 that were subject to early termination as discussed in response item 6 above, as well as to certain holders of additional warrants issued in financings closed in 2018 and 2019 exercisable at \$0. To date these warrant exercises (primarily in June) have resulted in a total capital raise of over \$1.2 million (US). Management anticipates that these exercises, together with additional exercises of warrants that will terminate effective August 31, 2020, will raise over \$3 million (US) by the end of August.**

15. Provide details of any changes in directors, officers or committee members.

**The Company has made the following changes to the membership of committees of the Board of Directors: Compensation Committee: Vladimir Kitaygorodsky has replaced Donald Levantin and been named as the Chair; Nominating Committee: Beatrice Mitchell and Vladimir Kitaygorodsky were added as members and Paul Jensen was named as the Chair. There were no changes to the Audit Committee.**

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

As disclosed in our last 4 monthly reports and related press releases, the coronavirus pandemic affected the Company's ability to manufacture its products in South Africa, delayed shipments to the United States, and led to backorders of our launchers and ammunition, thereby delaying sales, and possibly decreasing orders, which may impact future orders if customers frustrated by delays cancel orders or make different purchase decisions. It required our other employees and key consultants including our auditors to work remotely which results in inefficiencies and delayed our ability to file our Annual Report and our Interim Financial Report for the Quarter ending February 29, 2020. Additional disruptions could include disruptions or restrictions on our ability to receive materials, have our third-party manufacturers manufacture our products or to distribute our products, as well as additional closures of our facilities or the facilities of our suppliers and manufacturers. The pandemic has also affected the economies and financial markets around the world, resulting in an economic downturn that could affect demand for our products. These events could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Additionally, the civil unrest in the United States and the endorsement of our product by an influential celebrity on FOX News greatly increased public awareness of our product as reflected in web traffic and order volume. While we cannot predict how these events will affect order volume in future periods, they have resulted in an unprecedented and unexpected influx of orders and additional backorders as discussed in the press releases and form 8K referenced above. We are taking steps as noted above to increase our production and distribution capability in response to this increased demand.

### Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated July 7, 2020.

Lisa Wager  
Name of Director or Senior Officer

/s/ "Lisa Wager"  
Signature

**Chief Legal Officer**

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<b>Issuer Details</b> Name of Issuer <b>Byrna Technologies Inc.</b>	For Month End <b>June 30, 2020</b>	Date of Report YY/MM/D <b>20/07/07</b>
Issuer Address <b>100 Burt Road, Suite 115</b>		
City/Province/Postal Code <b>Andover, MA 01810</b>	Issuer Fax No. ( )	Issuer Telephone No. <b>(978) 868-5011</b>
Contact Name <b>Lisa Wager</b>	Contact Position: <b>Chief Legal Officer</b>	Contact Telephone No. <b>(978) 665-2721</b>
Contact Email Address <a href="mailto:lisa@byrna.com">lisa@byrna.com</a>	Web Site Address <a href="http://www.byrna.com">www.byrna.com</a>	

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