

FORM 7

**MONTHLY PROGRESS REPORT**

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

Trading Symbol: **BYRN**

Number of Outstanding Listed Securities: **23,570,985**

Date: **August 5, 2021**

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.

**The Company's business and operations continued. Recent developments and plans were described in a registration statement for the sale of securities in the U.S. only that was also filed under "other documents" with the CSE and on SEDAR. The Company also posted an updated investor presentation dated July 2021 on its web site at ir.byrna.com. The Company's registration statement includes an update of the risks facing the business. See Registration Statement and Prospectus dated July 16, 2021 filed as "other" with the CSE and on SEDAR.**

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

**See response to item 1. In addition, management's activities during July included continued work on the launch of the Byrna Banshee, the planned launch of new**

**products, including its eco-kinetic rounds, and plans for the opening of an Amazon store.**

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.

**In July the Company began shipping the Byrna Banshee personal alarm. The research and development team continually works on confidential development of potential new products and product improvements, and the sales and marketing team regularly reviews existing product channels and services and explores potential new sales channels and services. The Company's earnings release dated June 30, 2021, form 10Q for the quarter ended May 31, 2021 and Prospectus dated July 16, 2021, all filed with the CSE and on SEDAR, discuss additional anticipated new product introductions.**

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 generally purchases components for the manufacture of its products and third-party products for sale through purchase orders. The Company sells its products to consumers via its e-commerce website, and to law enforcement, corrections departments, dealers and distributors pursuant to purchase orders. The Company also runs training programs for law enforcement and private security use of the Byrna HD launcher.**

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.

**N/A**

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.

**None.**

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 from dealers, distributors, law enforcement agencies and private security. A small percentage of e-commerce customers cancel their orders.**

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.

**The Company protects its existing products and those in development through trademarks and patents.**

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

**The Company terminates and adds personnel from time to time based on need and occasionally on performance. The Company's overall headcount has remained stable.**

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

**The Company terminates personnel from time to time based on need and performance. There are no material labour disputes or resolutions of note.**

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.

**Effective July 6, 2021, the Company entered into a First Omnibus Loan Modification Agreement with Needham Bank with a term of 150 days that (i) removes all collateral/borrowing base requirements for the Company's \$5 million asset-based line of credit and (ii) adds \$2.5 million of availability on top of the afore-mentioned \$5 million line of credit. The cost of the additional line of credit is 75 basis points – half (\$9,375) due upon execution and the other half due if and only if the Company draws on the additional \$2.5 million. Following the July 20 closing of the Company's public offering in the United States of common stock, the Company repaid all monies previously drawn on the \$5 million line of credit described in its financial statements and Prospectus filed with the SEC (copies filed with the CSE and on SEDAR).**

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

**On July 20, 2021 the Company issued 2,875,000 shares of common stock at \$21.00 per share including 375,000 shares purchased by the underwriters pursuant to an underwriters' option. Copies of these filings are available on Edgar, the cse.com and SEDAR. The Company also issued 3,000 shares of common stock on July 28, 2020 upon an exercise of warrants by an investor in one of its 2019 private placements of debt securities.**

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

**None.**

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

**The global coronavirus pandemic has spurred demand for weapons including the Byrna HD which demand remains high but we are unable to predict whether it will**

continue and for how long. During the past year the Company has periodically suffered pandemic related interruptions to the supply chain, particularly for third party manufactured accessories and ammunition, intermittent short staffing in our U.S. manufacturing and distribution facility due to illness outbreaks and faced manufacturing constraints due to curfews and stay at home orders as well as shut downs and delays in both facilities from time to time due to government orders, illness outbreaks, and cleaning protocols. We cannot predict whether or to what extent demand will change after the current drivers have abated. Nor can we predict any long term impact our delays in fulfilment and related constraints may have on future demand. The ongoing pandemic, including the new Delta strain which has led to loss of personnel in South Africa and presents a serious threat there and a growing threat in the U.S., as well as related material shortages may cause new disruptions to the supply chain and to the Company's manufacturing and distribution. The potential for disruptions in production or logistics also presents risks of significant but unknown size to the Company's ability to convert orders to sales. Future events including changes in the regulation of less-lethal weapons and in regulation of law enforcement could have additional positive or negative effects on the Company's business that cannot yet be predicted. For a fuller discussion of the trends and risk factors affecting the Company's business please see the form 10K and corresponding SEDAR filings filed on February 26, 2021, the Company's earnings releases issued on February 26, 2021 and April 13, 2021 and filed with the CSE, the Company's 10Q and form 5 for the quarter ended February 28, 2021 and subsequent SEC and CSE filings including the risk factors contained in the Company's Prospectus and Registration Statement which has been filed with the SEC, CSE and on SEDAR.

### 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 August 5, 2021.

Lisa Wager  
Name of Director or Senior Officer

/s/ "Lisa Wager"  
Signature

**Chief Legal Officer**

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<b>Issuer Details</b> Byrna Technologies Inc. <b>Byrna Technologies Inc.</b>	For Month End <b>July 30, 2021</b>	Date of Report YY/MM/DD <b>21/08/05</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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