
Byrna Technologies Inc. Reports Record Quarterly Revenue Of \$1,190,404 And Adjusted Loss From Operations Of \$858,489



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Byrna Technologies Inc. →
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ANDOVER, Mass., July 20, 2020 /PRNewswire/ -- Byrna Technologies Inc. (OTCQB: BYRN) (CSE: BYRN). For its second quarter ended May 31, 2020, Byrna Technologies Inc. (the "Company") reported record revenues of \$1,190,404, up from \$105,769 in the same period last year. Gross profit margins were 43%, up from 28% for the prior year period. It is expected that margins will continue to improve as sales volumes increase.

Operating expenses for the three-month period totaled \$1,374,715, up from \$709,315 for the same period last year. Operating expenses are expected to continue to climb as the Company invests in its infrastructure and increases sales.

For the three months ended May 31, 2020 the loss from operations totaled \$858,489 up from \$678,830 for the same period last year. Net loss was \$8,061,400 which includes certain non-cash items principally associated with a debt for equity exchange completed in the quarter and warrant inducement expenses booked in connection with the inducement of early exercises of certain outstanding warrants. The Company was able to significantly reduce its debt burden by eliminating approximately \$6.9 million of convertible debt and exchanging it for a new convertible Preferred Stock and raised approximately \$3.2 million during the quarter through the early warrant exercises.

The Company booked a non-cash loss of \$6,026,657 on the debt-equity exchange and a loss of \$845,415 on the warrant inducements. These two book entries, along with the non-cash accretion of the Note Payable and the accrual of PIK interest added an additional \$330,839 to the loss for a total non-cash loss of \$7,202,911 bringing the Company's GAAP loss to \$7,928,876 including the foreign translation adjustment.

The Company further reported that it has raised approximately \$1.7 million to date since the end of the 2nd quarter through additional warrant exercises and is currently in an order backlog situation with the Company's website stating 12+ weeks for delivery of new orders. The backlog resulted from an unprecedented increase in orders following favorable mention by Sean Hannity of the Company's Byrna HD personal security device on his FOX News show.

The Company is working hard to ramp up its manufacturing capacity to fill all orders as soon as possible. An influx of at least an additional \$1.6 million in new equity is expected in the current quarter from additional anticipated warrant exercises.

Forward Looking Information

This news release contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable U.S. and Canadian securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might," "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Company with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this news release is qualified by this cautionary note. Forward-looking information in this news release includes, but is not limited to, the Company's expectation that margins will continue to improve as volumes increase, the expected ramp up of manufacturing, the expected timeframe for delivery of new orders, the timing of expected order fulfillment, and the projected cash influx from warrant exercises. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by the Company at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information.

The material factors or assumptions that the Company identified and were applied by the Company in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to, the Company's ability to convert orders to sales, the Company's ability to find and hire qualified workers and manage multiple production shifts, the cooperation of third parties such as critical parts suppliers and their willingness and ability to add shifts or take other steps needed to supply parts needed to fill orders, the risk of interruptions in production and the supply chain including the Company's ability to deliver products for any reason including interruptions due to parts availability, illness or quarantines, or delays in deliveries or new or expanded shutdowns related to the current civil unrest or to the Coronavirus (including reclassification of or extension of shutdowns to stores selling essential goods) or extended trade halts or embargos that disrupt the production or shipment of parts or finished goods, parts or finished goods product recalls, legal developments that could impact the sale of or market for the Company's products or prevent or threaten to prevent the Company's sales, the company's reliance on new and untested vendors, unanticipated production issues or defects necessitating diversion of manufacturing personnel to repairs or replacements, reduced demand due to competition, inability to fill orders promptly, insufficient cash to meet increased production costs or increased costs of sales and one time transaction costs whether related to the pandemic or otherwise, negative market response to the Company's products, negative events or publicity related to any Company product, spokesperson, announcement or endorsement that negatively impacts the Company's marketing plans or reputation, and the financial and product market conditions and other events including those related to the COVID-19 pandemic and ongoing civil unrest in the United States and other recent events and political and civil movements that could potentially reduce demand for the Company's product or cause cancellations, and a possible decline in market price of the Company's stock or market wide events that disincentivize warrant exercises or resulting in order cancelations. Should one or more risk, uncertainty, contingency, or other factor materialize, or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, the reader should not place undue reliance on forward-looking information. The Company does not assume any obligation to update or revise any forward-looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

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