

April 11, 2019



# Taronis Generates a Record \$9.7 Million Revenue in 2018

***Represents 161% Annual Increase in Sales***

**TAMPA, FL / ACCESSWIRE / April 11, 2019 / Taronis Technologies, Inc. ("Taronis" or "the Company") (NASDAQ: TRNX)**, a leading clean technology company in the renewable resources and environmental conservation industry, today announced its 2018 audited results of operations. Taronis generated record sales of \$9.7 million, which represented a 161% increase when compared to the \$3.7 million in revenues generated in 2017. The primary factors for growth during 2018 were a series of six acquisitions made during the year, in California and Texas, with the primary purpose to rapidly expand the Company's geographic reach for its retail distribution capabilities in the industrial gas and welding supply market.

"2018 was a year of significant development and transformation for Taronis," commented Scott Mahoney, Chief Executive Officer of Taronis Technologies. "We entered the year with a goal to dramatically expand our industrial gas distribution network in the US, and we executed extremely well on six transactions that closed over the course of the year."

Mr. Mahoney continued, "We grew revenues by more than 161% on a GAAP basis, and established a \$13 million revenue run rate in the fourth quarter of 2018, for a more than 400% increase in sales heading into 2019. Our goal is to achieve a \$25 million revenue run rate, which we believe will enable Taronis to become a cash flow positive business. We are close to meeting this objective as we are now running at a \$24 million run rate through the completion of three additional transactions in early 2019."

"Equally importantly, we added tremendous resources across our entire team. We increased our industrial gas sales team from fewer than 20 to more than 75 across the best markets in the US. We added 175 years of industrial gas management experience to a team that only had 50 years combined prior to 2018. We added a chemical engineer, an environmental engineer, and a technical project manager to help coordinate highly technical proprietary gas production across multiple markets. We now have an experienced, successful team that can handle and capitalize on scalable growth in 2019 and beyond," concluded Mr. Mahoney.

Regarding additional results from operations, the Company generated gross profits of \$3.6 million in 2018, which represented a \$2.0 million increase as compared to \$1.5 million in 2017. Gross profits were \$4.1 million excluding the effects of acquisition accounting on inventory valuations. The Company generated a net loss of \$15 million, which included \$3.1 million in non-cash stock compensation paid to vendors. The Company also incurred expenses related to six acquisitions and three capital markets transactions.

Taronis also enacted a series of cost cuts under new executive leadership in the fourth quarter of 2018. These actions resulted in a decrease of approximately 33% in quarterly operating expenses, and are expected to contribute significantly to improved operating performance in 2019.

The Company invested heavily in its expansion throughout 2018 which, in turn, resulted in certain balance sheet increases. Total assets increased to \$27.6 million, as compared to \$11.7 million in at the end of 2017. The largest increases in tangible assets were \$1.0 million in accounts receivable, \$1.5 million in inventory, and \$4.5 million in fixed assets such as vehicle, industrial gas cylinders, and other long-lived industrial gas fulfillment infrastructure.

From a liquidity perspective, cash flow from operations was a negative \$9.6 million in 2018, as compared to a negative \$4.7 million in 2017. Quarterly cash flow from operations as a percentage of revenues improved over the course of the year. In the first quarter of 2018, cash flow losses were 205% of the quarterly sales. In the fourth quarter of 2018, cash flow losses decreased to 97% of quarterly sales, despite the incurrence of approximately \$0.6 million in non-recurring expenses for three acquisitions and two capital markets transactions. Cash on hand at year end was \$2.6 million, including all restricted cash and refundable deposits.

Additional information regarding the results of operations, international expansion and technology innovations in 2018 will be provided on the Company's 2018 earnings conference call to be held at 4:00pm EST on Thursday, April 11th. For dial-in information relating to the call, please see the information below.

**Event:** Q4 and FY 2018 Earnings and Business Update Conference Call  
**Date:** Thursday, April 11, 2019  
**Time:** 4:00pm ET  
**Participant Dial-in:** (877) 407-0989 (toll free)  
**Webcast Link** <https://webcasts.eqg.com/taronistech20190408>  
**Conference ID:** 13689386

**Taronis Technologies, Inc. and Subsidiaries**  
**(f/k/a MagneGas Corporation)**  
**Consolidated Statements of Operations**

	<b>For the years ended</b>	
	<b>December 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>Revenue:</b>		
Sales Revenue	\$ 9,713,183	\$ 3,719,452
Cost of Revenues	<u>6,129,251</u>	<u>2,216,773</u>
Gross Profit	<u>3,583,932</u>	<u>1,502,679</u>
<b>Operating Expenses:</b>		
Selling, general and administration	17,460,066	12,427,297
Research and development	11,032	171,651
(Gain) on sale and disposal of property and equipment	(15,074)	(50,180)
Depreciation and amortization	<u>1,063,953</u>	<u>673,062</u>
<b>Total Operating Expenses</b>	<u>18,519,977</u>	<u>13,221,830</u>
<b>Operating Loss</b>	(14,936,045)	(11,719,151)
<b>Other Income and (Expense):</b>		
Interest	(179,112)	(14,684)
Accretion of debt discount	(183,579)	(1,030,372)
Other (expense) income	288,124	(1,778)
Extinguishment of debt	-	(513,725)
Change in fair value of derivative liability	-	2,255,322
	(74,567)	694,763
<b>Total Other Income (Expense)</b>	<u>                    </u>	<u>                    </u>
<b>Net Loss</b>	(15,010,612)	(11,024,388)
Deemed dividend	<u>2,097,300</u>	<u>4,974,182</u>
Net loss attributable to common shareholders	<u>\$(17,107,912)</u>	<u>\$(15,998,570)</u>
Net loss per share: Basic and Diluted	<u><b>\$ (6.87)</b></u>	<u><b>\$ (444.46)</b></u>
Weighted average common shares: Basic and Diluted	<u>2,491,435</u>	<u>35,996</u>

**About Taronis Technologies, Inc.**

Taronis Technologies, Inc. (TRNX) owns a patented plasma arc technology that enables two primary end use applications for fuel generation and water decontamination.

The Company's fuel technology enables a wide use of hydrocarbon feedstocks to be readily converted to fossil fuel substitutes. The Company is developing a wide range of end market uses for these fuels, including replacement products for propane, compressed natural gas and liquid natural gas. The Company currently markets a proprietary metal cutting fuel that is highly competitive with acetylene. The Company distributes its proprietary metal cutting fuel through Independent Distributors in the U.S and through its wholly owned distributors: ESSI, Green Arc Supply, Paris Oxygen, Latex Welding Supplies, Tyler Welders Supply, United Welding Supplies, Trico Welding Supply and Complete Welding of San Diego. The Company operates 17 locations across California, Texas, Louisiana, and

Florida.

The Company's technology can also be implemented for the decontamination of waste water, including sterilizing water, eradicating all pathogens. The technology is being tested to determine if it can completely eliminate pharmaceutical contaminants such as antibiotics, hormones and other soluble drugs suspended in contaminated water. Lastly, the technology process is capable of reducing or eliminating other contaminants, such as harmful metals, as well as nitrogen, phosphorus, and potassium levels that trigger toxic algae blooms. The technology has prospective commercial applications in the agricultural, pharmaceutical, and municipal waste markets. For more information on Taronis, please visit the Company's website at <http://www.TaronisTech.com>.

## **FORWARD-LOOKING STATEMENTS**

This press release contains forward-looking statements as defined within Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events, including our ability to raise capital, or to our future financial performance, 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 these forward-looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

For a discussion of these risks and uncertainties, please see our filings with the Securities and Exchange Commission. Our public filings with the SEC are available from commercial document retrieval services and at the website maintained by the SEC at <http://www.sec.gov>.

### **Investor Contacts:**

Andrew Gibson  
Edison Group  
[taronis@edisongroup.com](mailto:taronis@edisongroup.com)

**SOURCE:** Taronis Technologies, Inc.