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# Byrna Technologies Inc. Acquires South African Manufacturer, Plans U.S. Expansion Starting with the Opening of Las Vegas Sales & Marketing Office

Byrna Introduces New More Powerful Round for Byrna HD Personal Security Device

Wakefield, Massachusetts--(Newsfile Corp. - May 19, 2020) -**Byrna Technologies Inc.** (OTCQB: BYRN) (CSE: BYRN) ("Byrna" or the "Company") yesterday filed its Form 10-K for the year ended November 30, 2019. The Company previously announced that its filing was delayed for reasons related to the coronavirus pandemic. In the Form 10-K management discussed certain events subsequent to the year ended November 30, 2020 including, most recently, that, effective as of May 5, 2020 it has acquired all of the issued and outstanding shares of Roboro Industries Pty Ltd. ("Roboro"), a privately held South African company. Since July 2019 Roboro has been the sole manufacturer of the Byrna HD personal security device and has provided most of the injection molded components used in its manufacture. As a result of the acquisition of Roboro (the "Acquisition"), Roboro became a wholly owned subsidiary of the Company. The Company intends for Roboro to produce only Byrna components and finished goods and that Roboro will not do any work for unrelated third parties. Other subsequent events noted in the Form 10K included the March 2020 exercise of warrants by several noteholders raising over \$3 million, the April 2020 exchange of all the Company's outstanding convertible debt for a non-voting Series A preferred stock, and the May 2020 expansion of the Board with the addition of Vladimir Kitaygorodsky.

## **Byrna Brings Manufacturing In-House to Reduce Risk and Support Expanded Sales Projections**

The Roboro Acquisition has de-risked the Company substantially, in Management's opinion, by eliminating the Company's reliance on third party manufacturing operations. In addition to reducing the risk of an interruption in production, the Company expects that owning the factory will give the Company the ability to increase production to keep pace with the growing demand for the Byrna HD personal security device. "The biggest challenge that the Company has faced over the past year has been the inconsistent supply of high-quality products," said Bryan Ganz, the Company's CEO and President. The two biggest contributors to that problem have been dependence on third-parties for production and delays in getting product shipped from the factory to the Company's distribution center in Ft. Wayne, Indiana due to the reduction in airfreight resources resulting from the worldwide Covid-19 Pandemic. Underscoring the importance to the Company of the Roboro Acquisition, Ganz stated: "The acquisition of Roboro gives us direct control of these critical production resources substantially reducing a major risk to an interruption in supply resulting

from factors beyond our control."

"We also expect the acquisition of Roboro to help the Company in its efforts to open a second manufacturing facility located in the United States. With the technical knowledge and human resources acquired through the Roboro acquisition, we expect that the Company will be able to bring the U.S. production facility online much more quickly. Currently we are targeting the fourth quarter of 2020 to be up and running in the U.S." Ganz added. "This should help address the other big challenge we have faced this year: a shortage of finished goods inventory in the United States due to a very constrained airfreight market. With the major airlines drastically reducing the number of international flights, it has been difficult to book space in this post Covid-19 world." Ganz continued. "Once we are up and running in the U.S., we will eliminate the need to ship product to the U.S. from South Africa. We will also have much more control over production, allowing us to more closely manage production to maintain a better balance between production and sales. Finally, the Roboro acquisition, with the integration of its management and their knowledge will facilitate the Company's addition of new U.S. suppliers, creating much needed redundancy of many critical parts."

In consideration for the Roboro Acquisition, the Company paid the stockholders of Roboro (the "Sellers") an aggregate of \$500,000 in cash, subject to post-closing adjustments for net working capital. In conjunction with the Roboro Acquisition the Company entered into a consulting agreement with Josh Loock, a former shareholder of Roboro, pursuant to which Mr. Loock will provide certain consulting services to the Company to assist in the smooth transition of operations and the opening of a U.S. manufacturing operation based on the Roboro model. Through the Roboro Acquisition the Company became obligated to an outstanding noteholder of Roboro in the principal amount of Rand 1,788,000 plus accrued interest (approximately \$100,000).

Concurrent with the Acquisition, each of the Sellers entered into a subscription agreement for the purchase of an aggregate of 1,388,889 shares of the Company's common stock at .36 per share raising a total of \$500,000. The Sellers' purchase of the Company's stock is expected to be funded and completed by the release of escrowed funds to the Company upon the satisfaction of certain customary conditions by the parties. The shares will be restricted upon issuance and subject to a 15-month vesting schedule.

### **Byrna Opens New Sales & Marketing Office in Las Vegas, Plans Addition of New U.S. Jobs, Expands Distribution Network**

The Company is investing in its sales and marketing resources in order to match the anticipated increase in production capacity. Towards that end, the Company is opening a Sales & Marketing office in Las Vegas, Nevada. The new Las Vegas office will be home to the Sales & Marketing Department, headed by Reilly Schueler, as well as the Company's new Customer Service Department, for which the Company has already hired three (3) new customer service agents. "We are especially pleased," finished Ganz, "to be creating new American jobs particularly at this time of record unemployment. Along these same lines, we plan to bring the Research and Development team over to the United States as soon as travel restrictions are lifted, and to add to our in-house finance and accounting capabilities."

The Company plans to move into a new, larger, headquarters facility in Wilmington, Massachusetts in July to accommodate the growing Byrna team. This facility will provide

ample space for anticipated growth and will house a state-of-the-art research and development center with its own indoor shooting range for the testing of new products and to hold customer demonstrations.

Schueler has been busily proving his value since joining the Company at the end of the first quarter of the current fiscal year. In addition to signing up Maschmedt & Co. to gain entry into the outdoor sports market in 26 western states, giving the Company's Byrna HD a home on the shelves of more than 50 retailers including the CAL-Ranch chain, Schueler just penned a deal with ProActive Sales & Marketing of Florida to act as the Company's exclusive sales representative in 24 states in the Southeast, Midwest, Northeast and New England. The new production facility planned for Indiana will give Schueler and his international counterpart Etienne Roux assurance that production will be able to keep pace with sales. "The product sells itself," commented Schueler. "The problem I've got is I don't want to promise more than I can deliver." With Management's plans to expand production the Company is betting that Schueler won't disappoint.

### **Byrna Introduces the Byrna Max for Maximum Protection and Safety**

The Company topped off last week with the launch of a new chemical irritant round to be sold with its Byrna HD Kit and as a stand-alone product. The Company believes that its new round, appropriately named the "Byrna Max," is the most powerful chemical irritant projectile on the market. It packs quite the punch" Schueler noted. "You need to look at the videos in [development](#) and [testing](#) to see the effects. I can't imagine anyone on the receiving end of one of these new rounds is going to keep coming." The Company will continue to offer a pepper only round for states that prohibit blends or ingredients other than OC.

### ***About Byrna Technologies Inc. (OTCQB: BYRN) (CSE: BYRN)***

Byrna is an emerging non-lethal technology company, specializing in the development and manufacture of innovative less lethal equipment and munitions. For more information on the Company, please visit the corporate website [here](#) or the company's investor relations site [here](#). The Company's breakthrough [Byrna HD](#) personal security device looks to be the leading choice in the consumer and private security markets for non-lethal home protection, personal safety, and security.

### ***Forward Looking Information***

*This news release contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable 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, statements the anticipated closing of the Sellers' subscription agreements and release of escrowed funds, future consulting services, reduction of risks through the Roboro Acquisition including future dependence on third parties, the anticipated opening of a U.S. manufacturing facility, anticipated supplier redundancy, anticipated reduction of production interruption and facilitation of meeting demand, plans to integrate management, facility of shipments in the event of future pandemic related disruptions including manufacture and shipping disruptions, anticipated expansion of Byrna personnel including in Las Vegas, anticipated move to new space in Wilmington, and the anticipated performance and sales of the Byrna Max rounds. 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 Byrna 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 Byrna identified and were applied by Byrna 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 smoothly transition Roboro management and operations, potential delays in the influx of funds anticipated from the private placement of common stock to the Sellers, the continued availability of funds to implement existing and new marketing plans, move to new space, expand personnel, open a second manufacturing facility, market Byrna Max rounds, competition from existing or new products, the success of the Byrna Max rounds, interruptions in plans or timing of the new manufacturing facility, new headquarters, new R&D center, new sales office, or extended suspension of visas affecting our ability to bring key R&D personnel to the U.S., interruptions in production or in 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 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 impact the sale of or market for the Company's products or prevent or threaten to prevent the Company's sales, reduced demand due to quarantines, inability to fill orders promptly, increased costs of sales and one time transaction costs whether related to the pandemic or otherwise, negative market response to the Company's products, or any negative events or publicity related to any Company product, spokesperson, announcement or endorsement that negatively impacts the Company's marketing plans or reputation, reliance on third parties for audit related services, health and availability of employees and consultants working on the Company's financial statements and audit, continued access to all the Company's books and records notwithstanding office closures, the Company's ability to complete the filing of its financials for the quarter ended February 29, 2020 and its associated filings, and the financial and product market conditions and other events including those related to the COVID-19 pandemic.*

*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. Byrna 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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