

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) September 16, 2019

SECURITY DEVICES INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware	333-132456	71-1050654
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

107 Audubon Road, Suite 201 Wakefield, MA

01880

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (902) 582-6402

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SDEV	The Canadian Stock Exchange (CSE)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

Security Devices International Inc. (the "Company") has entered into a Securities Purchase Agreement (the "Agreement") with several investors (the "Purchasers") and Northeast Industrial Partners, LLC as collateral agent for the Purchasers (the "Collateral Agent") to sell up to approximately USD \$3,000,000 of units (the "Units"), with each \$1,000 of Units consisting of (i) a \$1,000 convertible promissory note (collectively the "Notes"), convertible into the Company's Common Stock, par value \$.001 per share (the "Common Stock"), and (ii) four thousand (4,000) warrants (the "Warrants") each exercisable for one share of Common Stock at an exercise price of USD \$0.25 per share, in a private placement (the "Private Placement") pursuant to Regulation D under the Securities Act of 1933 (the "Securities Act"). An initial sale of \$2,282,500 of the Units was closed on July 22, 2019. On September 16, 2019, the Company closed on the sale of an additional USD \$817,500 of the Units. The net proceeds from the sale of the Units will be used for general corporate purposes and working capital.

Terms of the Notes

The outstanding principal amount of the Notes accrues interest at a rate of 10% per annum, provided that, in the event of default on the Notes, the interest rate will be 15.0% during the period of default. The maturity date of the Notes is June 30, 2021, which date is subject to optional extension by each Purchaser if a change of control of the Company is announced prior to such date. Interest on the Notes is payable in arrears on the last day of each January and July while the Notes are outstanding. The Company has the option to redeem the Notes by paying the Purchasers the Optional Redemption Price as described in the Notes. Each Note is convertible into Common Stock, at the option of the Purchaser. Upon such optional conversion, the outstanding principal amount of the Note converts into shares of Common Stock at a conversion price of \$0.15 per share, subject to adjustment as set forth in the Notes (the "Note Conversion Price"). The Company is not required to convert any portion of a Note if doing so results in the Purchaser beneficially owning more than 4.99% of the outstanding Common Stock after giving effect to such conversion, provided that on sixty-one (61) days' prior written notice from the Purchaser to the Company, that percentage may increase to 19.99%.

Upon a Change of Control (as defined in the Note), an Purchaser may require the Company to redeem all or a portion of a Note, in which case the Company will pay in cash an amount equal to the greater of (a) the sum of (x) the aggregate consideration that the Purchaser would be entitled to receive in connection with the Change of Control if the Purchaser were to fully convert (without giving effect to any limitations on conversion) the outstanding principal of the Note into Common Stock immediately prior to the consummation of such Change of Control, plus (y) any accrued and unpaid interest thereon through but excluding the effective date of the Change of Control and any accrued and unpaid late charges, or (b) an amount equal to the sum of (i) the outstanding principal of the Note plus, (ii) any accrued and unpaid interest thereon through but excluding the effective date of the Change of Control and any accrued and unpaid late charges plus, (iii) an amount equal to 100% of the interest that would have been earned on the Note from the effective date of the Change of Control through the maturity date of the Note. Notwithstanding any other provision of the Agreement or the Note, the effective interest rate may not exceed 25% per annum.

The Notes contain restrictive covenants which, among other things, restrict the Company's ability to incur additional indebtedness, grant security interests on its assets, or make distributions on or repurchase its common stock.

The Notes are secured, pursuant to the Agreement, with a security interest in substantially all of the Company's assets. The Purchasers have appointed a Collateral Agent to act as collateral agent for the Purchasers. The Company has granted the Collateral Agent a security interest in substantially all of its assets, as security for the Company's obligations under the Notes and the documents executed in connection with the Agreement.

Terms of the Warrants

Each Warrant is exercisable for one share of Common Stock at an exercise price of USD \$0.25 per share, on or prior to the close of business on January 22, 2024. If the average closing price of the Common Stock is over USD \$0.35 per share for a period of 20 consecutive trading days ending after the two-year anniversary of the issuance, the Company may give notice to the registered holders of the Warrants accelerating the expiry date to a date not less than 30 days following the date of such notice.

The Notes, the Warrants, and the Common Stock issuable upon conversion of the Notes and/or exercise of the Warrants have not been, and will not be, registered under the Securities Act, and may not be sold, transferred or assigned (i) in the absence of an opinion in a generally acceptable form of counsel, which counsel shall be selected by the holder and be reasonably acceptable to the Company, that registration is not required under the Securities Act or (ii) unless sold pursuant to Rule 144 under the Securities Act.

The foregoing summary of the Agreement, the Notes, the Warrants, and related agreements is qualified in its entirety by the terms of the Agreement and the exhibits thereto (including the form of Unsecured Convertible Note and form of Warrant), attached as Exhibit 10.1 and incorporated herein by reference.

This document contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the Agreement, including benefits of the transaction. These forward-looking statements generally are identified by the words "believe", "project", "expect", "anticipate", "estimate", "future", "strategy", "opportunity", "plan", "may", "should", "will", "would", "will be", "will continue", "will likely result", and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including, but not limited to, the Company's ability to comply with all the terms and provisions of the Agreement and the documents executed in connection therewith, and general economic conditions. In addition, please refer to the documents that the Company files with the SEC on Forms 10-K, 10-Q and 8-K. These filings identify and address other important risks and uncertainties that could cause events and results to differ materially from those contained in the forward-looking statements set forth in this document. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements and the Company assumes no obligation, and does not intend, to update or revise these forward-looking statements, whether as result of new information, future events, or otherwise.

Item 2.02 Results of Operations and Financial Condition

On September 18, 2019, the Company issued a press release announcing certain financial information for the quarter ended August 31, 2019. A copy of this press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information contained in this Item 2.02, including the press release attached hereto and incorporated by reference herein, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise expressly stated in any such filing.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under and Off-Balance Sheet Arrangement of a Registrant.

The Company incorporates by reference the discussion included at item 1.01 above.

Item 3.02 Unregistered Sales of Equity Securities.

The Company incorporates by reference the discussion included at Item 1.01 above. The Company relied on Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act to offer and sell the Notes and the Warrants inasmuch as the offer and sale was made to accredited investors only and the Company did not undertake any form of general solicitation or general advertising.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit	Description	Method of Filing
10.1	Securities Purchase Agreement dated July 22, 2019 by and among Security DevicesInternational Inc., Northeast Industrial Partners, LLC, and the purchasers party thereto, including exhibits.	Incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed July 23, 2019
<u>99.1</u>	Press Release dated September 18, 2019	Attached as Exhibit

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date September 18, 2019

Security Devices International Inc.
(Registrant)

/s/ Bryan Ganz
(Signature)

Name: Bryan Ganz
Title: Chief Executive Officer



Security Devices International Inc. (OTCQB: SDEV, CSE: SDZ) Reports Record Quarter

3rd Quarter Sales Increase Nearly 3-Fold from Q2

WAKEFIELD, MA / ACCESSWIRE / September 18, 2019 / Security Devices International Inc. ("SDI") (OTCQB: SDEV)(CSE: SDZ), an established non-lethal technology company that has historically served the highly regulated law enforcement market, just concluded its first full quarter (ended August 31, 2019) of production and sales of its new consumer focused personal security device, the Byrna HD.

For the quarter ended August 31, 2019, SDI produced 1,675 launchers, up from 204 launchers produced at the end of Q2. Production was moved from Visionware to Roboro Industries in mid-July, which has dramatically improved production numbers and significantly lowered rejection rates. While changing final assembly supplier mid-quarter was disruptive, it resulted in 1,327 launchers being produced following the change, with a dramatically lower rejection rate than before the move. "We are very pleased with the Roboro relationship," commented Bryan Ganz, the CEO of SDI. "They are just going to get better as their people gain more experience with our product." For Q4, SDI projects that production will exceed 4,000 units.

Preliminary sales for the 3rd quarter totaled \$309,150, up from \$105,730 in Q2 and \$11,146 in Q1. Ninety percent of such sales came from sales of the Byrna HD and accessories, with the balance of sales attributed to SDI's line of 40mm Blunt Impact Projectiles. Of the \$277,623 in Byrna sales, 81% were for the launcher and 19% came from sales of accessories and ammo. SDI expects the percentage of sales derived from accessories and ammo to increase as its customer base grows.

Sales for the 3rd quarter were aided by a product review by Sootch00, a well-known gun reviewer with over 850,000 YouTube subscribers. The video, <https://youtu.be/nT7Qe-prCQI>, released on July 15, 2019, shows the incapacitating effects of the Byrna Black chemical irritant round.

In Q4, SDI will be the primary sponsor of the Rick Ware Racing #52 Byrna Ford Mustang, which will be racing in the FEDERATED AUTO PARTS 400 NASCAR MONSTER ENERGY Cup series at the Richmond Raceway in Richmond, VA on September 21st. In addition to the Richmond Race, SDI plans to attend a number of Gun Shows including the Rapid City Gun Show at the Rushmore Plaza Civic Center in Rapid City, SD on September 21st and 22nd, the Gun & Knife Show at the Eastern States Exposition in West Springfield, MA on October 26th and 27th, the Wilmington Firearm & Knife Show at Shriners Auditorium in Wilmington, MA on November 9th and 10th and the Muncie, Indiana Gun Show in Muncie, Indiana on December 14th and 15th.

SDI also announced that it has entered into a new binding agreement with Roboro Industries Proprietary Limited (which will be operating under the name "Byrna Africa") to serve as its Authorized Manufacturer's Distributor in South Africa. The Company recently ended discussions of an exclusive distributorship with Dave Sheer Guns (DSG) and cancelled the balance of a purchase order which contemplated special pricing. "We are excited to have this opportunity to expand our relationship with the Roboro group," commented Ganz. "They've done a great job of taking over our production and we think they will be as effective representing us in South Africa."

On July 22, 2019, SDI issued \$2,282,500 worth of 10% convertible notes due June 30, 2021. These notes are convertible into common stock in SDI at any time prior to their maturity on June 30, 2021. Each \$1,000 note was issued with 4,000 warrants, each exercisable into one share of SDI common stock at \$0.25 USD per share at any time prior to their expiration on January 22, 2024. The company closed a second tranche of these notes on September 16, 2019, raising another \$817,500. As with the first tranche, Northeast Industrial Partners, LLC will act as collateral agent (the "Collateral Agent") for the purchasers of the notes. The net proceeds from the offering will be used for general corporate purposes and working capital.

About Security Devices International

Security Devices International, Inc. (CSE: SDZ) (OTCQB: SDEV) is a technology company specializing in the areas of Personal Security Devices, Military, Law Enforcement, Corrections, and Private Security. The Company develops and manufactures innovative, less lethal equipment and munitions. For more information on SDI, please visit the corporate website [here](#) or the company's investor relations site here.

About the Byrna™ HD Personal Security Device

The Byrna™ HD is a disruptive new non-lethal device aimed at the home defense and personal security markets. Its small size (similar to popular lethal handguns on the market today), ease of obtaining, ease of carry, effectiveness in deterring or stopping an intruder, and accessible price point should be appealing to individuals who want protection, but either don't want the hassle of obtaining a gun license or don't want the risk of having a hand gun in their home, as well as to gun enthusiasts who appreciate a precision piece of equipment and want something in their collection that is both effective and non-lethal.

The Byrna™ HD comes with multiple easily reloadable magazines that can hold five .68 caliber highly effective payload rounds designed to burn an assailant's eyes and respiratory system upon contact. The Byrna also comes with inert and impact rounds that can be used for training. Accurate up to 60 feet, the Byrna™ HD is fitted with a picatinny rail that allows owners to mount either a laser sight or flashlight making it easy for novices to fire it accurately. The Byrna™ HD provides homeowners, women, retirees, and others whose work or daily activities may put them at risk of being a victim with easy access to an effective, non-lethal way to protect themselves and their loved ones from threats to their person or property. It also is ideal for boaters, truckers, RV owners, campers and gun enthusiasts around the world.

For more information on the Byrna™, please click [here](#).

The Byrna HD is not a "firearm" under federal law and does not require a federal gun license. State laws and local ordinances may regulate its possession, use, and carry in certain localities.

Forward Looking Statements

This news release includes certain "forward looking statements" reflecting management's current expectations of future events including, without limitation, the final sales numbers that will be reported for the quarter, statements about the anticipated production, production rate, delivery, effects, performance, and future regulation and legality of the Byrna™ HD and Byrna projectiles and accessories, and the anticipated market response. These statements involve risks and uncertainties, and actual results may differ from current expectations. Risks and uncertainties include, without limitation: issues that may arise during the completion of the independent auditor's review of the quarter, design flaws, implementation of design changes, production problems or other changes that cause manufacturing or shipping delays, quality problems, cost overrun, resulting returns or warranty claims, training of new personnel, the testing process, other issues related to the formulation or effectiveness of SDI's rounds, SDI's dependence in part or in whole on the performance of third parties, including those located outside the United States, in connection with sourcing of components, projectiles, accessories, distribution and resale, and logistic and assembly services, the dependency of SDI on proprietary and other intellectual property, which may not be available to SDI on commercially reasonable terms or at all, the impact of unfavorable legal proceedings, including intellectual property disputes, the impact of state and local laws and regulation or changes to laws and regulations including licensing, registration, and certification laws related to sale, possession or use of Byrna products or pepper-based defense products, the ability of SDI to manage risks associated with its activities at a manageable cost, including complying with applicable laws and regulations, and renewing and maintaining adequate insurance, and competition from less expensive or superior products that may be developed. Except as required by law, SDI disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

CONTACT:

Investor Relations

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SOURCE: Security Devices International Inc.
