

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2025

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 333-132456

**Byrna Technologies Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**71-1050654**

(I.R.S. Employer Identification No.)

**100 Burtt Road, Suite 115  
Andover, MA 01810**

(Address of Principal Executive Offices, including zip code)

**(978) 868-5011**

(Registrant's telephone number, including area code)

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

Title of each class  
**Common stock, \$0.001, par value per share**

Trading Symbol(s)  
**BYRN**

Name of each exchange on which registered  
**Nasdaq Capital Market**

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Non-accelerated filer ☒

Accelerated filer ☐

Smaller reporting company ☒

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

As of October 9, 2025, the Company had 22,725,515 outstanding shares of common stock.

## TABLE OF CONTENTS

	Page
<b><u>PART I – FINANCIAL INFORMATION</u></b>	<b><u>2</u></b>
<b><u>Item 1. Condensed Consolidated Financial Statements</u></b>	<b><u>2</u></b>
<u>Condensed Consolidated Balance Sheets as of August 31, 2025 (unaudited) and November 30, 2024</u>	<u>2</u>
<u>Condensed Consolidated Statements of Operations and Comprehensive Income for the Three and Nine Months Ended August 31, 2025 and 2024 (unaudited)</u>	<u>3</u>
<u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended August 31, 2025 and 2024 (unaudited)</u>	<u>4</u>
<u>Condensed Consolidated Statements of Changes in Stockholders' Equity for the Three and Nine Months Ended August 31, 2025 and 2024 (unaudited)</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>
<b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	<b><u>19</u></b>
<b><u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u></b>	<b><u>25</u></b>
<b><u>Item 4. Controls and Procedures</u></b>	<b><u>25</u></b>
<b><u>PART II – OTHER INFORMATION</u></b>	<b><u>26</u></b>
<b><u>Item 1. Legal Proceedings</u></b>	<b><u>26</u></b>
<b><u>Item 1A. Risk Factors</u></b>	<b><u>26</u></b>
<b><u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u></b>	<b><u>26</u></b>
<b><u>Item 3. Defaults Upon Senior Securities</u></b>	<b><u>26</u></b>
<b><u>Item 4. Mine Safety Disclosures</u></b>	<b><u>26</u></b>
<b><u>Item 5. Other Information</u></b>	<b><u>26</u></b>
<b><u>Item 6. Exhibits</u></b>	<b><u>27</u></b>
<b><u>SIGNATURES</u></b>	<b><u>28</u></b>

**PART 1 – FINANCIAL INFORMATION**

**ITEM 1. Condensed Consolidated Financial Statements**

**BYRNA TECHNOLOGIES INC.**

**Condensed Consolidated Balance Sheets**

(Amounts in thousands, except share and per share data)

	August 31, 2025	November 30, 2024
	<u>Unaudited</u>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,495	\$ 16,829
Accounts receivable, net	8,872	2,630
Inventory, net	34,106	19,972
Prepaid expenses and other current assets	5,402	2,623
Marketable debt securities	2,501	8,904
Total current assets	57,376	50,958
<b>LONG TERM ASSETS</b>		
Deposits for equipment	2,642	2,665
Right-of-use-assets, net	2,117	2,452
Property and equipment, net	6,780	3,408
Intangible assets, net	3,151	3,337
Goodwill	2,258	2,258
Deferred tax asset	4,187	5,837
Other assets	51	1,007
<b>TOTAL ASSETS</b>	<u>\$ 78,562</u>	<u>\$ 71,922</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 12,698	\$ 13,108
Operating lease liabilities, current	672	539
Deferred revenue, current	249	1,791
Total current liabilities	13,619	15,438
<b>LONG TERM LIABILITIES</b>		
Deferred revenue, non-current	40	17
Operating lease liabilities, non-current	1,760	2,098
Total liabilities	15,419	17,553
<b>COMMITMENTS AND CONTINGENCIES (NOTE 21)</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, no shares issued	—	—
Common stock, \$0.001 par value, 50,000,000 shares authorized. 25,214,110 shares issued and 22,694,966 shares outstanding as of August 31, 2025, and 25,010,976 shares issued and 22,495,759 outstanding as of November 30, 2024	25	25
Additional paid-in capital	135,480	133,029
Treasury stock (2,519,144 and 2,515,217 shares purchased as of August 31, 2025 and November 30, 2024, respectively)	(21,308)	(21,253)
Accumulated deficit	(50,459)	(56,783)
Accumulated other comprehensive loss	(595)	(649)
Total Stockholders' Equity	63,143	54,369
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 78,562</u>	<u>\$ 71,922</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

**BYRNA TECHNOLOGIES INC.****Condensed Consolidated Statements of Operations and Comprehensive Income****(Amounts in thousands except share and per share data)****(Unaudited)**

	<b>For the Three Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>August 31,</b>		<b>August 31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net revenue	\$ 28,179	\$ 20,854	\$ 82,874	\$ 57,777
Cost of goods sold	11,257	7,842	32,464	22,566
Gross profit	16,922	13,012	50,410	35,211
Operating expenses	14,059	12,184	42,525	32,633
INCOME FROM OPERATIONS	2,863	828	7,885	2,578
OTHER INCOME (EXPENSE)				
Foreign currency transaction loss	(91)	(103)	(305)	(381)
Interest income	97	281	400	883
Loss from joint venture	-	(62)	-	(42)
Other (loss) income	(6)	3	10	7
INCOME BEFORE INCOME TAXES	2,863	947	7,990	3,045
Income tax (provision) benefit	(628)	78	(1,666)	75
NET INCOME	2,235	1,025	6,324	3,120
Foreign exchange translation adjustment	82	381	27	410
Unrealized gain (loss) on marketable debt securities	(51)	-	27	-
COMPREHENSIVE INCOME	\$ 2,266	\$ 1,406	\$ 6,378	\$ 3,530
Basic net income per share	\$ 0.10	\$ 0.05	\$ 0.28	\$ 0.14
Diluted net income per share	\$ 0.09	\$ 0.04	\$ 0.26	\$ 0.14
Weighted-average number of common shares outstanding - basic	22,691,574	22,758,155	22,649,525	22,509,018
Weighted-average number of common shares outstanding - diluted	24,103,760	23,410,159	24,147,430	23,072,498

See accompanying notes to the unaudited condensed consolidated financial statements.

**BYRNA TECHNOLOGIES INC.**  
**Condensed Consolidated Statements of Cash Flows**  
**(Amounts in thousands)**  
**(Unaudited)**

	<b>For the Nine Months Ended</b>	
	<b>August 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	\$ 6,324	\$ 3,120
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Stock-based compensation expense	2,297	2,615
Depreciation and amortization	1,617	1,113
Loss on disposal	607	—
Amortization of debt issuance costs	—	4
Operating lease costs	513	483
Loss from joint venture	—	42
Deferred tax provision	1,650	—
Changes in assets and liabilities:		
Accounts receivable	(6,242)	817
Deferred revenue	(1,519)	(1,089)
Inventory	(14,134)	(5,907)
Prepaid expenses and other current assets	(1,857)	(1,199)
Other assets	34	—
Accounts payable and accrued liabilities	(410)	4,966
Operating lease liabilities	(383)	(486)
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(11,503)</b>	<b>4,479</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(5,830)	(1,382)
Proceeds from sale of property and equipment	67	—
Proceeds from sale of marketable debt securities	6,352	—
Acquisition of Federal Firearms License	(6)	—
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>583</b>	<b>(1,382)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from stock option exercises	296	149
Repurchase of common stock	(55)	(3,247)
Payment of taxes withheld on issuance of restricted stock units	(142)	(826)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>99</b>	<b>(3,924)</b>
Effects of foreign currency exchange rate changes	487	406
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD</b>	<b>(10,334)</b>	<b>(421)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>16,829</b>	<b>20,498</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 6,495</b>	<b>\$ 20,077</b>

See accompanying notes to the unaudited condensed consolidated financial statements.

**BYRNA TECHNOLOGIES INC.**
**Condensed Consolidated Statements of Changes in Stockholders' Equity**  
**For the Three and Nine Months Ended August 31, 2025 and August 31, 2024**  
**(Amounts in thousands except share numbers)**  
**(Unaudited)**

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	\$		Shares	\$			
<b>Balance, May 31, 2025</b>	<b>25,197,613</b>	<b>\$ 25</b>	<b>\$ 134,739</b>	<b>(2,519,144)</b>	<b>\$ (21,308)</b>	<b>\$ (52,694)</b>	<b>\$ (626)</b>	<b>\$ 60,136</b>
Stock-based compensation	—	—	734	—	—	—	—	734
Issuance of common stock pursuant to exercise of stock options	12,923	—	62	—	—	—	—	62
Issuance of common stock pursuant to vesting of restricted stock units	3,574	—	(55)	—	—	—	—	(55)
Net income	—	—	—	—	—	2,235	—	2,235
Unrealized gain (loss) on marketable securities	—	—	—	—	—	—	(51)	(51)
Foreign currency translation	—	—	—	—	—	—	82	82
<b>Balance, August 31, 2025</b>	<b>25,214,110</b>	<b>\$ 25</b>	<b>\$ 135,480</b>	<b>(2,519,144)</b>	<b>\$ (21,308)</b>	<b>\$ (50,459)</b>	<b>\$ (595)</b>	<b>\$ 63,143</b>
<b>Balance, May 31, 2024</b>	<b>24,964,787</b>	<b>\$ 24</b>	<b>\$ 131,550</b>	<b>(2,187,892)</b>	<b>\$ (17,753)</b>	<b>\$ (67,481)</b>	<b>\$ (1,027)</b>	<b>\$ 45,313</b>
Stock-based compensation	—	—	819	—	—	—	—	819
Issuance of common stock pursuant to exercise of stock options	12,635	—	21	—	—	—	—	21
Issuance of common stock pursuant to vesting of restricted stock units	—	—	(26)	—	—	—	—	(26)
Repurchase of common stock	—	—	—	(291,141)	(2,994)	—	—	(2,994)
Net income	—	—	—	—	—	1,025	—	1,025
Foreign currency translation	—	—	—	—	—	—	381	381
<b>Balance, August 31, 2024</b>	<b>24,977,422</b>	<b>\$ 24</b>	<b>\$ 132,364</b>	<b>(2,479,033)</b>	<b>\$ (20,747)</b>	<b>\$ (66,456)</b>	<b>\$ (646)</b>	<b>\$ 44,539</b>

  

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	\$		Shares	\$			
<b>Balance, November 30, 2024</b>	<b>25,010,976</b>	<b>\$ 25</b>	<b>\$ 133,029</b>	<b>(2,515,217)</b>	<b>\$ (21,253)</b>	<b>\$ (56,783)</b>	<b>\$ (649)</b>	<b>\$ 54,369</b>
Stock-based compensation	—	—	2,297	—	—	—	—	2,297
Issuance of common stock pursuant to exercise of stock options	100,194	—	296	—	—	—	—	296
Issuance of common stock pursuant to vesting of restricted stock units	102,940	—	(142)	—	—	—	—	(142)
Repurchase of common stock	—	—	—	(3,927)	(55)	—	—	(55)
Net income	—	—	—	—	—	6,324	—	6,324
Unrealized gain on marketable securities	—	—	—	—	—	—	27	27
Foreign currency translation	—	—	—	—	—	—	27	27
<b>Balance, August 31, 2025</b>	<b>25,214,110</b>	<b>\$ 25</b>	<b>\$ 135,480</b>	<b>(2,519,144)</b>	<b>\$ (21,308)</b>	<b>\$ (50,459)</b>	<b>\$ (595)</b>	<b>\$ 63,143</b>
<b>Balance, November 30, 2023</b>	<b>24,168,014</b>	<b>\$ 24</b>	<b>\$ 130,426</b>	<b>(2,165,987)</b>	<b>\$ (17,500)</b>	<b>\$ (69,575)</b>	<b>\$ (1,056)</b>	<b>\$ 42,319</b>
Stock-based compensation	—	—	2,615	—	—	—	—	2,615
Issuance of common stock pursuant to exercise of stock options	220,067	—	149	—	—	—	—	149
Issuance of common stock pursuant to vesting of restricted stock units	589,341	—	(826)	—	—	—	—	(826)
Repurchase of common shares	—	—	—	(313,046)	(3,247)	—	—	(3,247)
Net income	—	—	—	—	—	3,120	—	3,120
Foreign currency translation	—	—	—	—	—	—	410	410
<b>Balance, August 31, 2024</b>	<b>24,977,422</b>	<b>\$ 24</b>	<b>\$ 132,364</b>	<b>(2,479,033)</b>	<b>\$ (20,747)</b>	<b>\$ (66,456)</b>	<b>\$ (646)</b>	<b>\$ 44,539</b>

See accompanying notes to the unaudited condensed consolidated financial statements.

**BYRNA TECHNOLOGIES INC.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
**For the Three and Nine Months Ended August 31, 2025 and 2024**

**1. NATURE OF OPERATIONS**

Byrna Technologies Inc. (the “Company” or “Byrna”) is a technology company, specializing in next generation alternatives to traditional firearms without the risk of taking a life. The Company's launchers can be used for self-defense and personal security by consumers in all 50 states without a firearms license, subject to local regulations. The Company also sells accessories, pepper sprays, and other personal safety tools. Most of the sales are to consumers in the United States via the Company's e-commerce site, its Amazon storefront, its four Company owned brick and mortar locations, and through retailers, including big box stores. The Company's products also may be sold to private security and public security officers. Since 2020, the Company has not manufactured or sold any products to or for use by the military. The Company operates three manufacturing facilities: a 30,000 square foot facility located in Fort Wayne, Indiana; a 10,000 square foot facility located in Fort Wayne, Indiana; and a 20,000 square foot manufacturing facility located in Pretoria, South Africa. The facility in South Africa has ceased manufacturing operations during the third quarter of 2025.

**2. OPERATIONS AND MANAGEMENT PLANS**

As of August 31, 2025, the Company has incurred an accumulated deficit of approximately \$50.5 million. The Company has funded operations through the issuance of the Company's common stock par value \$0.001 per share (“Common Stock”) until reaching profitability. The Company generated net income of \$6.3 million for the nine months ended August 31, 2025. The Company's future success is dependent upon its ability to continue to raise sufficient capital or generate adequate revenues, to cover its ongoing operating expenses, and also to continue to develop and be able to profitably market its products.

**3. BASIS OF PRESENTATION**

These unaudited condensed consolidated financial statements for the three and nine months ended August 31, 2025 and 2024 include the accounts of the Company and its subsidiaries. These unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations and cash flows in conformity with generally accepted accounting principles in the United States of America (“GAAP”); however, such information reflects all adjustments consisting solely of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods. All significant intercompany accounts and transactions have been eliminated in consolidation.

The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto together with management's discussion and analysis of financial condition and results of operations contained in the Company's annual report on Form 10-K for the year ended November 30, 2024. In the opinion of management, the accompanying unaudited condensed consolidated financial statements, the results of its operations for the three and nine months ended August 31, 2025 and 2024, and its cash flows for the nine months ended August 31, 2025 and August 31, 2024 are not necessarily indicative of results to be expected for the full year.

#### 4. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Future events and their effects cannot be determined with certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and any such differences may be material to our condensed consolidated financial statements. Significant estimates include assumptions about stock-based compensation expense, valuation for deferred tax assets, incremental borrowing rate on leases, useful life of long-lived assets, inventory reserves, and allowance for credit losses.

#### 5. RECENT ACCOUNTING GUIDANCE

The Company considers the applicability and impact of all Accounting Standards Updates ("ASUs"). ASUs not discussed below were assessed and determined to be either not applicable or are expected to have minimal impact on the financial statements.

##### Accounting Pronouncements Issued but Not Adopted

The FASB issued ASU 2023-07: Segment Reporting Topic 280 - Improvements to Reportable Segment Disclosures. This update requires expanded annual and interim disclosures for significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. This update will be effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and is to be applied retrospectively to all periods presented in the financial statements. The Company will reflect any needed changes in its annual financial statements for the year ended November 30, 2025, and believes the adoption of ASU 2023-07 will not have a material impact on the consolidated financial statements other than expanded disclosures.

In 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This update standardizes categories for the effective tax rate reconciliation, requires disaggregation of income taxes and additional income tax-related disclosures. This update is required to be effective for the Company for fiscal years beginning after December 15, 2024, which for the Company will be the year ended November 30, 2026. The Company is evaluating the effect that ASU 2023-09 will have on its financial statements and disclosures.

In March 2024, the Financial Accounting Standards Board (FASB) issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (as clarified by ASU 2025-01). This guidance focuses on the disaggregation of income statement expenses. This update requires entities to provide more detailed disclosures about the components of significant expense categories, enhancing the transparency and decision-usefulness of financial statements. The objective is to provide users with a clearer understanding of the nature and variability of expenses reported in the income statement. The standard is effective for annual periods of fiscal years beginning after December 15, 2026, and interim periods in years beginning after December 15, 2027, with early adoption permitted. The Company is currently assessing the impact of ASU 2024-03 on its financial statement disclosures. While the Company anticipates that the adoption of this standard will require additional disclosures, it does not expect it to have a material impact on the Company's financial position or results of operations.

In July 2025, the Financial Accounting Standards Board (FASB) issued ASU 2025-05, which addresses the measurement of credit losses for accounts receivable and contract assets. This update introduces a practical expedient that allows entities to assume that current conditions will remain unchanged until the maturity of the asset, simplifying the estimation of expected credit losses. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and for interim periods thereafter, requiring prospective application to estimates of expected credit losses post-adoption. The Company is currently evaluating the impact that ASU 2025-05 will have on its financial statements and disclosures. While it is too early to determine the specific effects, the Company anticipates that the adoption may improve the relevance and usability of the financial information provided to users without having a material impact on its consolidated financial position or results of operations.



## 6. GOODWILL

Goodwill resulting from a business combination is not amortized but is reviewed for impairment annually or more frequently when events or changes in circumstances occur that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company has the option to perform a qualitative assessment over goodwill when events occur or circumstances change that would, more likely than not, reduce the fair value of a reporting unit or to bypass the qualitative assessment in any period and proceed directly to performing the quantitative goodwill impairment test. If the Company concludes, based on the qualitative assessment, that the carrying value of a reporting unit would more likely than not exceed its fair value, a quantitative assessment is performed which is based upon a comparison of the reporting unit's fair value to its carrying value. The fair values used in this evaluation are estimated by the Company based upon future discounted cash flow projections for the reporting unit. An impairment charge is recognized for any amount by which the carrying amount of goodwill exceeds its fair value.

The Company assesses goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. The Company's operations constitute a single reporting unit and goodwill is assessed for impairment at the Company level as a whole.

## 7. MARKETABLE DEBT SECURITIES

Marketable debt securities consist of U.S. Treasury Securities and Corporate Bonds. Management determines the appropriate classification of these securities at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date. The Company classifies its investments as available-for-sale pursuant to ASC 320, Investments—Debt Securities. Investments are recorded at fair value, with unrealized gains and losses included as a component of accumulated other comprehensive income in stockholders' equity and a component of total comprehensive income in the consolidated statements of operations and comprehensive income, until realized. Realized gains and losses are included in investment income on a specific-identification basis. The Company estimates expected credit losses for investments when unrealized losses exist. Unrealized losses that are credit related are recognized in net income and unrealized losses that are not credit related are recognized in accumulated other comprehensive income. For the three and nine months ended August 31, 2025, there were realized gains on investments of less than \$0.1 million. For the three and nine months ended August 31, 2025, there were net unrealized gains on marketable debt securities of less than \$0.1 million.

The following table summarizes our marketable securities and available-for-sale investments as of August 31, 2025 (in thousands):

	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Investments
Corporate bonds	\$ 1,475	\$ 20	\$ -	\$ 1,495	\$ 1,495
U.S. Treasury securities	999	7	-	1,006	1,006
Total	<u>\$ 2,474</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 2,501</u>	<u>\$ 2,501</u>

  

August 31, 2025		
	Cost	Fair Value
Due within one year or less	\$ 1,475	\$ 1,495
Due after one year through five years	999	1,006
	<u>\$ 2,474</u>	<u>\$ 2,501</u>

The following table summarizes our marketable securities and available-for-sale investments as of November 30, 2024 (in thousands):

	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Investments
Corporate bonds	\$ 2,950	\$ 18	\$ -	\$ 2,968	\$ 2,968
U.S. Treasury securities	5,889	47	-	5,936	5,936
Total	<u>\$ 8,839</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ 8,904</u>	<u>\$ 8,904</u>

### Fair Value Measurement

The Company follows a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-tier fair value hierarchy has been established, which prioritizes the inputs used in measuring fair value as follows:

- Level 1- Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2- Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- Level 3- Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The following table summarizes the fair value of marketable debt securities by level within the fair value hierarchy as of August 31, 2025:

August 31, 2025					
Fair Value Measurement Based on					
	Cost	Fair Value	Quoted Prices in Active Market (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	\$ 551	\$ 551	\$ 551	\$ -	\$ -
Corporate bonds	1,475	1,495	-	1,495	-

U.S. Treasury securities	999	1,006	-	1,006	-
Total	<u>\$ 3,025</u>	<u>\$ 3,052</u>	<u>\$ 551</u>	<u>\$ 2,501</u>	<u>\$ -</u>

The following table summarizes the fair value of marketable debt securities by level within the fair value hierarchy as of November 30, 2024:

		November 30, 2024			
		Fair Value Measurement Based on			
		Significant		Significant	
		Quoted Prices		Other	
		in Active		Observable	
		Market		Inputs	
		(Level 1)		(Level 2)	
		Significant		Unobservable	
		Inputs		(Level 3)	
	Cost	Fair Value			
Cash equivalents	\$ 11,304	\$ 11,304	\$ 11,304	\$ -	\$ -
Corporate bonds	2,950	2,968	-	2,968	-
U.S. Treasury securities	5,889	5,936	-	5,936	-
Total	<u>\$ 20,143</u>	<u>\$ 20,208</u>	<u>\$ 11,304</u>	<u>\$ 8,904</u>	<u>\$ -</u>

## 8. INVESTMENT IN JOINT VENTURE

In January 2023, the Company acquired a 51% ownership interest in Byrna LATAM S.A. ("Byrna LATAM"), a corporate joint venture formed to expand the Company's operations and presence in South American markets, for \$0.5 million. The Company accounted for the investment in the joint venture using the equity method since the Company did not have voting control of Byrna LATAM. Additionally, the Company did not have substantive participating rights that would result in the Company having control of Byrna LATAM.

On August 19, 2024, the Company sold its 51% ownership interest to Fusady S.A. for \$1 (the "LATAM Share Purchase Agreement") and entered into an exclusive distribution, manufacturing and licensing agreement with Byrna LATAM (the "LATAM Licensing Agreement"). This LATAM Licensing Agreement allows Byrna LATAM to exclusively manufacture the Byrna SD launcher and ammunition in certain South American countries and requires Byrna LATAM to pay the Company a royalty on Byrna products manufactured. The amount of royalty earned during the three and nine months ended August 31, 2025 and outstanding as of August 31, 2025, was \$0.3 million and \$1.1 million, respectively. The amount outstanding as of August 31, 2025 and November 30, 2024, was not material. The LATAM Share Purchase Agreement also includes put and call rights based on defined triggers which expire on August 19, 2029.

In January 2023, the Company loaned \$1.6 million to Byrna LATAM. The loan bore interest at a rate equal to Secured Overnight Financing Rate ("SOFR") plus 3.0%. Interest income related to the loan receivable was less than \$0.1 million for the three and nine months ended August 31, 2025 and 2024. The interest income is included in interest income in the Condensed Consolidated Statements of Operations and Comprehensive Income. On August 19, 2024, the loan was amended to fix the loan amount at \$1,431,112 plus accrued interest of \$203,373 for a total loan amount of \$1,634,485. The loan bears an annual rate of interest of 5% per annum. The loan is to be repaid in twelve equal monthly installments beginning on August 19, 2025. The loan receivable was recorded as loan to joint venture in the Consolidated Balance Sheets until the consummation of the LATAM Share Purchase Agreement at which time the Company recorded the current portion of the loan as part of Prepaid expenses and other current assets and the non-current portion is recorded as part of the Other assets on the Condensed Consolidated Balance Sheet as of August 31, 2025 and November 30, 2024. The loan amount outstanding as of August 31, 2025 was \$1.6 million, all of which is recorded as part of Prepaid expenses in the consolidated balance sheet. The loan amount outstanding as of November 30, 2024, was \$1.7 million. \$0.7 million was recorded as part of Prepaid expenses and \$1.0 million was recorded as part of Other assets in the consolidated balance sheet.

## 9. ADVERTISING COSTS

Advertising costs are expensed as incurred and reported in Operating Expenses in the Condensed Consolidated Statements of Operations and Comprehensive Income, and include costs of advertising, tradeshow, and other activities designed to enhance demand for the Company's products. The Company recorded advertising costs of approximately \$4.0 million and \$11.9 million for the three and nine months ended August 31, 2025, respectively. The Company recorded advertising costs of approximately \$3.2 million and \$8.6 million for the three and nine months ended August 31, 2024, respectively.

## 10. REVENUE, DEFERRED REVENUE AND ACCOUNTS RECEIVABLE

The Company generates most of its revenue through e-commerce portals to consumers, as well as wholesale distribution of its products and accessories to dealers/distributors and retail stores. The Company also sells products to large end-users such as private security companies and law enforcement agencies. The Company does not manufacture or sell any products regulated by the Bureau of Alcohol, Tobacco, Firearms and Explosives or for military applications. Revenue is recognized upon the transfer of control of goods to the customer, which occurs when the Company has satisfied its performance obligation by making the goods available to the customer's designated carrier in accordance with the Company's shipping terms. Under the Company's standard terms, which are Ex-Works (EXW), title and risk of loss pass to the customer once the goods are picked, packed, and loaded into the carrier's trailer at the Company's facility and the order is marked as shipped in the Company's ERP system. At that point, the Company has a present right to payment, the customer has obtained legal title, and the carrier—acting as the customer's agent—has physical possession of the goods. Accordingly, revenue is recognized as of the date goods are loaded into the carrier's trailer, regardless of when the carrier physically removes the trailer from the Company's premises. Payment terms to customers other than e-commerce customers are generally 30-60 days for established customers, whereas new wholesale and large end-user customers have prepaid terms for their first order. The amount of revenue recognized is net of returns and discounts that the Company offers to its customers. Products purchased include a standard warranty that cannot be purchased separately. This allows customers to return defective products for repair or replacement within one year of sale. The Company also sells an extended warranty for the same terms over three years. The extended 3-year warranty can be purchased separately from the product and is classified as a service warranty. Since a warranty for the first year after sale is included and non-separable from all launcher purchases, the Company considers this extended warranty to represent a service obligation during the second and third years after sale. Therefore, the Company accumulates billings of these transactions on the balance sheet as deferred revenue, to be recognized on a straight-line basis during the second and third year after sale. The Company recognizes an estimated reserve for warranty based on its analysis of historical experience, and an evaluation of current market conditions.

During the second quarter of 2025, the Company offered a complimentary five-year extended warranty with the purchase of any launcher during the month of May. The Company determined the standalone selling price of the five-year extended warranty and, in accordance with ASC 606, allocated a portion of the total transaction price to the warranty using the relative standalone selling price method. The amount allocated to the five-year extended warranty is recorded as deferred revenue and is recognized on a straight-line basis over the five-year warranty period. Revenue related to the five and three-year extended warranty was immaterial.

The Company offers e-commerce customers a 14-day money-back guarantee, which allows for a full refund of the purchase price, excluding shipping charges, within 14 days from the date of delivery. The right of return creates a variable component to the transaction price and needs to be considered for any possible constraints. The Company estimates returns using the expected value method, as there will likely be a range of potential return amounts. The Company's reserve for returns under the 14-day money back guarantee for the three and nine months ended August 31, 2025 and 2024 was immaterial. For customer purchases made through Amazon, certain Byrna products are designated as non-returnable, including Byrna launchers, CO<sub>2</sub> tubes, chemical irritant projectiles, and pepper sprays. All other Byrna accessories sold on Amazon are subject to Amazon's standard return policy, which generally permits returns within 30 days of delivery. The Company evaluates expected returns from Amazon sales using the same expected value method applied to its direct-to-consumer sales. The Company's reserve for Amazon-related returns for the three and nine months ended August 31, 2025 and 2024 was immaterial.

The Company does not offer a money-back guarantee to dealers or retailers. These customers may request a return or credit for unforeseen reasons or may have agreed discounts or allowances to be netted from amounts invoiced. Accordingly, the Company reserves for returns, discounts and allowances based on past performance and on agreement terms and reports revenue net of the estimated reserve. The Company's reserve for returns, discounts, and allowances for the three and nine months ended August 31, 2025 and 2024 was immaterial.

The Company accounts for shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated products. Shipping and handling costs associated with the distribution of finished products to customers, are recorded in operating expenses in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income and are recognized when the product is shipped to the customer.

Included as cost of goods sold are costs associated with the production and procurement of products, such as labor and overhead, inbound freight costs, manufacturing depreciation, purchasing and receiving costs, and inspection costs.

The Company has granted Byrna LATAM an exclusive license under the LATAM Licensing Agreement to manufacture, market, sell, and distribute Byrna products within specified territories. Under the LATAM Licensing Agreement, Byrna LATAM is authorized to use the Byrna® trademark and logo for marketing and sales of approved products, subject to the terms outlined in the LATAM Licensing Agreement. In consideration for these rights, Byrna LATAM is required to pay the Company a royalty fee based on quantities and values of licensed products manufactured. The Company recognizes revenue as the licensed products are manufactured as reported to the Company by Byrna LATAM. The LATAM Licensing Agreement establishes minimum revenue requirements for designated countries. There is no minimum guaranteed royalty fee unless otherwise stipulated by the minimum revenue provisions of the LATAM Licensing Agreement.

#### **Accounts Receivable**

The Company records accounts receivables due from dealers/distributors, large end-users such as retail stores, security companies, and law enforcement agencies. Accounts receivable, net of allowances, was \$8.9 million, \$2.6 million and \$2.9 million as of August 31, 2025, November 30, 2024, and November 30, 2023, respectively. Accounts receivable also includes royalty receivables. The amount of royalty receivable included in accounts receivable was \$1.1 million, not material, and nil as of August 31, 2025, November 30, 2024, and November 30, 2023, respectively.

#### **Allowance for Expected Credit Losses**

The Company estimates the balance of its allowance for expected credit losses. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status and makes judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company also considers customer-specific information, current market conditions, and reasonable and supportable forecasts of future economic conditions. Account balances are written off against the allowance when it is determined that the receivable will not be recovered. As of August 31, 2025, November 30, 2024, and November 30, 2023, the total allowance for credit losses recorded was less than \$0.1 million, \$0.3 million and \$0.6 million, respectively.

### Deferred Revenue

The balance of deferred revenue, which relate to advance payments, unfulfilled e-commerce orders and amounts to be recognized under extended three-year and five-year service warranty, as of August 31, 2025 and August 31, 2024 was \$0.3 million and \$0.8 million, respectively, and \$1.8 million and \$1.9 million as of November 30, 2024 and 2023, respectively.

	August 31, 2025	November 30, 2024
Deferred revenue balance, beginning of period	\$ 1,808	\$ 1,936
Net additions to deferred revenue during the period	49,413	66,120
Reductions in deferred revenue for revenue recognized during the period	(50,932)	(66,248)
Deferred revenue balance, end of period	289	1,808
Less current portion	249	1,791
Deferred revenue, non-current	<u>\$ 40</u>	<u>\$ 17</u>

### Revenue Disaggregation

The Company presents revenues net of returns, allowances, and discounts. The following table presents disaggregation of the Company's net revenue by distribution channel (in thousands):

Distribution channel	Three Months Ended		Nine Months Ended	
	August 31,		August 31,	
	2025	2024	2025	2024
Wholesale (dealer/distributors)	\$ 11,530	\$ 4,781	\$ 29,653	\$ 13,512
E-commerce (direct to consumers)	16,335	16,073	52,096	44,265
Royalties	314	—	1,125	—
Total	<u>\$ 28,179</u>	<u>\$ 20,854</u>	<u>\$ 82,874</u>	<u>\$ 57,777</u>

The Company presents revenues net of returns, allowances, and discounts. The following table presents disaggregation of the Company's net revenue by revenue stream (in thousands):

Revenue type	Three Months Ended		Nine Months Ended	
	August 31,		August 31,	
	2025	2024	2025	2024
Product	\$ 27,865	\$ 20,854	\$ 81,749	\$ 57,777
Royalties	314	—	1,125	—
Total	<u>\$ 28,179</u>	<u>\$ 20,854</u>	<u>\$ 82,874</u>	<u>\$ 57,777</u>

## 11. INVENTORY

The following table summarizes inventory (in thousands):

	August 31, 2025	November 30, 2024
Raw materials	\$ 17,970	\$ 10,307
Work in process	5,186	3,433
Finished goods	10,950	6,232
Total	<u>\$ 34,106</u>	<u>\$ 19,972</u>

## 12. PROPERTY AND EQUIPMENT

The following table summarizes cost and accumulated depreciation (in thousands):

	August 31, 2025	November 30, 2024
Computer equipment and software	\$ 787	\$ 791
Furniture and fixtures	628	276
Leasehold improvements	1,907	1,048
Machinery and equipment	7,503	4,095
	<u>10,825</u>	<u>6,210</u>
Less: accumulated depreciation	4,045	2,802
Total	<u>\$ 6,780</u>	<u>\$ 3,408</u>

The Company recognized \$1.4 million and \$0.9 million in depreciation expense during the nine months ended August 31, 2025 and August 31, 2024, respectively. The Company recognized \$0.6 million and \$0.4 million in depreciation expense during the three months ended August 31, 2025 and 2024, respectively. Depreciation expense is presented in the operating expenses and within cost of goods sold in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.

At August 31, 2025 and November 30, 2024, the Company had deposits of \$2.6 million and \$2.7 million, respectively, with vendors primarily for supply of machinery (molds) and equipment where the vendors have not completed the supply of these assets and is presented as Deposits for equipment in the Condensed Consolidated Balance Sheets.

### 13. INTANGIBLE ASSETS

The components of intangible assets were as follows (in thousands):

	Estimated Useful Lives in Years	Balance at August 31, 2025			Balance at November 30, 2024		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents	10-17	\$ 3,955	\$ (1,170)	\$ 2,785	\$ 3,955	\$ (978)	\$ 2,977
Trademarks	Indefinite	360	—	360	360	—	360
Customer List	2	70	(70)	—	70	(70)	—
Federal Firearms License	3	6	(0)	6	—	—	—
<b>Total</b>		<b>\$ 4,391</b>	<b>\$ (1,240)</b>	<b>\$ 3,151</b>	<b>\$ 4,385</b>	<b>\$ (1,048)</b>	<b>\$ 3,337</b>

The trademarks have an indefinite life and are assessed annually for impairment. All other intangible assets are finite-lived.

Intangible assets amortization expenses are recorded within operating expenses in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income. Total intangible assets amortization expense for the nine months ended August 31, 2025 and August 31, 2024 were \$0.2 million and \$0.1 million, respectively. Total intangible assets amortization expense was less than \$0.1 million for the three months ended August 31, 2025 and 2024.

Estimated future amortization expense related to intangible assets as of August 31, 2025 are as follows (in thousands):

<b>Fiscal Year Ending November 30,</b>	
2025 (remaining three months)	\$ 65
2026	259
2027	259
2028	259
2029	259
Thereafter	1,690
<b>Total</b>	<b>\$ 2,791</b>

### 14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of the following (in thousands):

	August 31, 2025	November 30, 2024
Trade payables	\$ 8,540	\$ 7,715
Accrued sales, use and income tax	556	570
Accrued personnel costs	3,216	4,193
Accrued professional fees	135	124
Other accrued liabilities	251	506
<b>Total</b>	<b>\$ 12,698</b>	<b>\$ 13,108</b>

## 15. STOCKHOLDERS' EQUITY

### Stock Buyback Program

On July 31, 2024, the Company's Board of Directors approved a plan to buy back up to \$10 million worth of shares of Common Stock (the "Stock Buyback Program"). The Company's Stock Buyback Plan is intended to return capital to shareholders and to minimize the dilutive impact of stock options and other share-based awards. The Stock Buyback Program will expire on the sooner of the two-year anniversary of its initiation or until the Company reaches the aggregate limit of \$10 million for the repurchases under the program. The repurchased shares are recorded as part of treasury stock and are accounted for under the cost method. In the nine months ended August 31, 2025, the Company repurchased 3,927 shares of common stock for \$0.05 million. No shares were repurchased during the three months ended August 31, 2025. As of August 31, 2025, 353,157 shares of common stock have been repurchased for \$3.8 million.

	Number of Shares	Cost of Shares	Average Cost per Share
Shares purchased - March 2024	21,905	\$ 253,003	\$ 11.6
Shares purchased - August 2024	291,141	2,994,296	10.3
Shares purchased - September 2024	506	5,695	11.3
Shares purchased - October 2024	35,678	499,997	14.0
Shares purchased - April 2025	3,927	54,940	14.0
Total	353,157	\$ 3,807,931	\$ 10.8

## 16. STOCK-BASED COMPENSATION

### **2020 Plan**

On October 23, 2020, the Company's Board of Directors approved and on November 19, 2020, the stockholders approved the Byrna Technologies Inc. 2020 Equity Incentive Plan (the "2020 Plan"). The aggregate number of shares of Common Stock available for issuance in connection with options and other awards granted under the 2020 Plan is 3,800,000 shares. The 2020 Plan is administered by the Compensation Committee of the Board. The Compensation Committee determines the persons to whom options to purchase shares of Common Stock, stock appreciation rights ("SARs"), restricted stock units ("RSUs"), and restricted or unrestricted shares of Common Stock may be granted. Persons eligible to receive awards under the 2020 Plan are employees, officers, directors, consultants, advisors and other individual service providers of the Company. Awards are at the discretion of the Compensation Committee.

The Company accounts for all stock-based payment awards granted to employees and non-employees as stock-based compensation expense at their grant date fair value. The Company's stock-based payments include stock options, RSUs, and incentive warrants. The measurement date for employee awards is the date of grant, and stock-based compensation costs are recognized as expense over the employees' requisite service period, on a straight-line basis. The measurement date for non-employee awards is generally the date the services were completed, resulting in financial reporting period adjustments to stock-based compensation during either the expected term or the contractual term. Stock-based compensation costs for non-employees are recognized as expense over the vesting period on a straight-line basis. Forfeitures are accounted for as they occur.

The fair value of each grant is estimated on the date of grant by using either the Black-Scholes, Binomial Lattice, or the quoted stock price on the date of grant, unless the awards are subject to market conditions in which case the Company uses the Monte Carlo simulation model. Due to the Company's limited history, the expected term of the Company's stock options granted to employees has been determined utilizing the method as prescribed by the SEC's Staff Accounting Bulletin, Topic 14. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends on Common Stock and does not expect to pay any cash dividends in the foreseeable future.

### **Stock-Based Compensation Expense**

Stock-based compensation costs are recognized as expense over the employee's requisite service period, on a straight-line basis. Total stock-based compensation expense was \$2.3 million and \$2.6 million for the nine months ended August 31, 2025 and August 31, 2024, respectively. Total stock-based compensation expense was \$0.7 million and \$0.8 million for the three months ended August 31, 2025 and August 31, 2024, respectively. Total stock-based compensation expense was recorded in Operating expenses in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.

### **Restricted Stock Units**

During the nine months ended August 31, 2025, the Company granted performance-based RSUs ("PSUs") to certain employees. The number of PSUs that may ultimately vest is contingent upon the achievement of specified GAAP revenue targets for the fiscal year 2026 performance period (December 1, 2025 through November 30, 2026), as well as the participant's continued employment through November 30, 2027. The actual number of shares that may be earned ranges from 0% to 200% of the target award, depending on the level of achievement of the performance goals. Any earned PSUs will vest on November 30, 2027, subject to continued service through such date. Compensation expense is recognized for PSUs only to the extent that it is probable the performance conditions will be achieved. During the nine months ended August 31, 2025 the Company granted 120,830 RSUs consisting of 88,344 time-based RSUs and 32,486 PSUs. During the nine months ended August 31, 2024, the Company granted 600,000 PSUs with a "double trigger" for vesting based on stock price and time, as follows: (1) one-third of the RSUs would be triggered when the Company's stock trades above \$6.00 on a 20-day VWAP, the second one-third of the RSUs would be triggered when the Company's stock trades above \$9.00 on a 20-day VWAP, and the final one-third of the RSUs would be triggered when the stock trades above \$12.00 on a 20-day VWAP and (2) the employee must remain employed by the Company for three years from the effective date for the RSUs to vest. Stock-based compensation expense for the RSUs and PSUs for the nine months ended August 31, 2025 and August 31, 2024 was \$1.4 million and \$1.2 million, respectively. Stock-based compensation expense for the RSUs and PSUs for the three months ended August 31, 2025 and August 31, 2024 was \$0.5 million and \$0.4 million, respectively.



The assumptions that the Company used in a Monte Carlo simulation model to determine the grant-date fair value of RSUs granted with a double trigger for the nine months ended August 31, 2024 were as follows:

Risk free rate		4.33%
Expected dividends	\$	—
Expected volatility		33%
Expected life (in years)		2.7
Market price of the Company's Common Stock on date of grant	\$	6.03

As of August 31, 2025, there was \$3.9 million of unrecognized stock-based compensation cost related to unvested RSUs which is expected to be recognized over a weighted average of 1.1 years.

The following table summarizes the RSU activity during the nine months ended August 31, 2025:

	RSUs
Unvested and outstanding as of November 30, 2024	915,230
Granted	120,830
Settled	(106,001)
Forfeited	(7,246)
Unvested and outstanding at August 31, 2025	922,813

Of the 106,001 RSUs that were settled during the nine months ended August 31, 2025, 3,061 units were withheld by the Company in exchange for the Company paying for the payroll withholding taxes. For the nine months ended August 31, 2025, RSUs of 102,940, net, were issued in connection with the settlement of RSUs.

#### Stock Options

The Company recorded stock-based compensation expense for options granted to its employees and directors of \$0.9 million and \$1.4 million during the nine months ended August 31, 2025 and August 31, 2024, respectively, and \$0.2 million and \$0.4 million for the three months ended August 31, 2025 and 2024, respectively. As of August 31, 2025, there was \$0.4 million of unrecognized stock-based compensation cost related to unvested stock options which is expected to be recognized over a weighted average period of 1.2 years.

#### Stock Option Valuation

The fair value of stock options at the date of grant was estimated using the Black Scholes option pricing model. The assumptions that the Company used to determine the grant-date fair value of stock options granted for the nine months ended August 31, 2024 were as follows:

Risk free rate		4.10%
Expected dividends	\$	—
Expected volatility		75.75%
Expected life (in years)		6.5
Market price of the Company's Common Stock on date of grant	\$	6.89

The following table summarizes option activity under the 2020 Plan during the nine months ended August 31, 2025:

	Stock Options	Weighted-Average Exercise Price Per Stock Option
Outstanding, November 30, 2024	1,241,839	\$ 9.11
Granted	—	—
Exercised	(137,001)	10.58
Expired	(586)	1.90
Forfeited	(16,667)	8.96
Outstanding, August 31, 2025	1,087,585	\$ 8.96
Exercisable, August 31, 2025	878,250	\$ 9.26

Of the 137,001 shares issued upon exercise of options, 36,807 options were surrendered due to cashless exercise.

## 17. EARNINGS PER SHARE

For the three and nine months ended August 31, 2025 and 2024, the Company recorded net income and, as such, used diluted weighted-average common shares outstanding when calculating diluted income per share for the three and nine months ended August 31, 2025 and 2024. Stock options and RSUs that could potentially dilute basic earnings per share ("EPS") in the future are included in the computation of diluted income per share.

	For the Three Months Ended		For the Nine Months Ended	
	August 31,		August 31,	
	2025	2024	2025	2024
Net income	\$ 2,235	\$ 1,025	\$ 6,324	\$ 3,120
Weighted-average number of shares used in computing net income per share, basic	22,691,574	22,758,155	22,649,525	22,509,018
Net income per share - basic	\$ 0.10	\$ 0.05	\$ 0.28	\$ 0.14
Weighted-average number of shares used in computing net income per share, diluted	24,103,760	23,410,159	24,147,430	23,072,498
Net income per share - diluted	\$ 0.09	\$ 0.04	\$ 0.26	\$ 0.14

The following table reconciles the weighted-average common shares outstanding used in the calculation of basic EPS to the weighted-average common shares outstanding used in the calculation of diluted EPS for the three and nine months ended August 31, 2025 and 2024:

	For the Three Months Ended		For the Nine Months Ended	
	August 31,		August 31,	
	2025	2024	2025	2024
Weighted-average common shares outstanding- basic	22,691,574	22,758,155	22,649,525	22,509,018
Assumed conversion of:				
Dilutive stock options	679,720	135,886	657,234	113,617
Dilutive RSUs	732,465	516,118	840,670	449,863
Weighted-average common share outstanding- diluted	24,103,760	23,410,159	24,147,430	23,072,498

The following potential common shares, presented based on amounts outstanding at each period end, were excluded from the calculation of diluted net income per share for the periods indicated because including them would have had an anti-dilutive effect:

	For the Three Months Ended		For the Nine Months Ended	
	August 31,		August 31,	
	2025	2024	2025	2024
Options	—	437,666	—	437,666
RSUs	20,919	16,513	41,944	41,513
Total	20,919	454,179	41,944	479,179

## 18. RELATED PARTY TRANSACTIONS

The following transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

The Company subleases office premises at its Massachusetts headquarters to a corporation owned and controlled by the Chief Executive Officer ("CEO") of the Company beginning July 1, 2020, with no stated termination date. Sublease payments received were a nominal amount for the three and nine months ended August 31, 2025 and 2024.

Fusady is owned, in equal 25% shares, by four individual investors. These four individuals also each own 25% of Bersa S.A. Bersa S.A. is a distributor of the Company's products in Argentina. There were sales of \$0.1 million during the three and nine months ended August 31, 2024. Because of the divestiture of the joint venture in August 2024 (see Note 8), Fusady is no longer considered a related party.

## 19. LEASES

### Operating Leases

The Company has operating leases for real estate in the United States and South Africa and does not have any finance leases.

In 2019, the Company entered into a real estate lease for office space in Andover, Massachusetts. In August 2021, the lease was amended to include additional space and extend the term of the existing space by one year. The new lease expiration date is February 29, 2028.

The Company leases office and warehouse space in South Africa. The Company has exercised its right to extend the lease for an additional year. The lease, which was originally set to expire in December 2024, was extended to December 2025.

The Company leased warehouse and manufacturing space in Fort Wayne, Indiana. The lease was to expire on July 31, 2025. Commencing in August 2022, the Company sub-leased the former Fort Wayne facility. The amount received from the sub-lease was immaterial. In March 2024, the Company terminated the lease and sublease.

Commencing in July 2024, the Company entered into a new operating lease for warehouse and retail office space located in Fort Wayne, Indiana. The lease term is for five years, commencing on July 15, 2024 and expiring on July 14, 2029. As of August 31, 2025, the total right-of-use asset amounting to \$0.2 million and the corresponding lease liability of \$0.2 million are reflected in the Company's financial statements.

The Company also leases office space in Las Vegas, Nevada, which expires on January 31, 2027. The base rent is less than \$0.1 million per month.

Commencing in August 2024, the Company entered into a new operating lease for retail office space located in Salem, New Hampshire. The lease term is for five years, commencing on August 22, 2024 and expiring on August 21, 2029. As of August 31, 2025, the total right-of-use asset amounting to \$0.1 million and the corresponding lease liability of \$0.1 million are reflected in the Company's financial statements.

Commencing in August 2024, the Company entered into a new operating lease for retail office space located in Scottsdale, Arizona. The lease term is for eight years, commencing on August 27, 2024 and expiring on July 31, 2032. As of August 31, 2025, the total right-of-use asset amounting to \$0.6 million and the corresponding lease liability of \$0.7 million are reflected in the Company's financial statements.

Commencing in November 2024, the Company entered into a new operating lease for retail office space located in Franklin, Tennessee. The lease term is for five and a half years, commencing on November 1, 2024 and expiring on April 30, 2030. As of August 31, 2025, the total right-of-use asset amounting to \$0.2 million and the corresponding lease liability of \$0.3 million are reflected in the Company's consolidated financial statements.

Commencing in April 2025, the Company entered into another operating lease for office space located in Las Vegas, Nevada. The lease term is for three years, commencing on April 1, 2025 and expiring on April 30, 2028. As of August 31, 2025, the total right-of-use asset amounting to \$0.2 million and the corresponding lease liability of \$0.2 million are reflected in the Company's consolidated financial statements.

Certain of the Company's leases contain options to renew and extend lease terms and options to terminate leases early. Reflected in the right-of-use asset and lease liability on the Company's balance sheets are the periods provided by renewal and extension options that the Company is reasonably certain to exercise, as well as the periods provided by termination options that the Company is reasonably certain to not exercise.

For the nine months ended August 31, 2025 and August 31, 2024, the elements of lease expense were as follows (in thousands):

	<u>Nine Months Ended</u> <u>August 31, 2025</u>	<u>Nine Months Ended</u> <u>August 31, 2024</u>
<b>Lease Cost:</b>		
Operating lease cost	\$ 565	\$ 459
Short-term lease cost	60	-
Total lease cost	\$ 625	\$ 459
<b>Other Information:</b>		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 395	\$ 504
Operating lease liabilities arising from obtaining right-of-use assets	\$ 178	\$ 1,146
<b>Operating Leases:</b>		
Weighted-average remaining lease term (in years)	4.1	4.6
Weighted-average discount rate	7.9%	8.3%

Future lease payments under non-cancelable operating leases as of August 31, 2025 are as follows (in thousands):

### Fiscal Year Ending November 30,

2025 (three months)	\$ 206
2026	840
2027	738
2028	386
2029	266
Thereafter	387
Total lease payments	2,823
Less: imputed interest	391
Present value of operating lease liabilities	\$ 2,432
Operating lease liabilities, current	\$ 672
Operating lease liabilities, non-current	\$ 1,760

## 20. INCOME TAXES

For the three months ended August 31, 2025, the Company recorded \$0.6 million of income tax expense. For the three months ended August 31, 2024, the Company recorded a nominal amount of income tax expense. For the three months ended August 31, 2025 and August 31, 2024, the effective tax rate was 20.6% and 0.1%, respectively. For the nine months ended August 31, 2025, the Company recorded \$1.7 million of income tax expense. For the nine months ended August 31, 2024, the Company recorded \$0.1 million of income tax benefit. For the nine months ended August 31, 2025 and August 31, 2024, the effective tax rate was 18.3% and 0.2%, respectively. The Company's tax rate differs from the statutory rate of 21.0% due to the effects of state taxes net of federal benefit, the foreign tax rate differential as a result of Byrna South Africa, effects of permanent non-deductible expenses, and other effects.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted. The OBBBA amends U.S. tax law including provisions related to domestic research and development expenses and bonus depreciation, among others. The Company is currently evaluating the impact of the OBBBA on its consolidated financial statements and has included the estimated impact of items affecting its current tax period as part of its income tax expense computed for the quarter ending August 31, 2025.

## 21. COMMITMENTS AND CONTINGENCIES

### Legal Proceedings

In the ordinary course of our business, the Company may be involved in various legal actions and claims, including but not limited to product liability, consumer, commercial, tax, and governmental matters, which may arise from time to time. Currently, the Company is engaged in a number of legal proceedings; however, in the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss concerning loss contingencies for asserted legal and other claims. While the Company does not anticipate any adverse outcomes from these proceedings, legal actions inherently carry uncertainties, and an unfavorable ruling could result in monetary damages that may impact the Company's business, financial position, results of operations, or cash flows. Although the Company maintains specific insurance coverage for certain risks, it may still face judgments or need to settle claims in the future that could have potential material adverse effects on its business, financial condition, or results of operations.

## 22. SEGMENT AND GEOGRAPHICAL DISCLOSURES

The CEO, who is also the Chief Operating Decision Maker, evaluates the entire business as a single entity, which includes reviewing financial information and making business decisions based on the overall results of the business. As such, the Company's operations constitute a single operating segment and one reportable segment.

The tables below summarize the Company's revenue for the three and nine months ended August 31, 2025 and 2024, respectively, by geographic region (in thousands):

### *Revenue:*

	U.S./Mexico	South Africa	Europe/South America/Asia	Canada	Total
<b>Three Months Ended</b>					
August 31, 2025	\$ 25,240	\$ 998	\$ 1,475	\$ 466	\$ 28,179
August 31, 2024	\$ 19,264	\$ 53	\$ 812	\$ 725	\$ 20,854
<b>Nine Months Ended</b>					
August 31, 2025	\$ 74,395	\$ 1,379	\$ 5,730	\$ 1,370	\$ 82,874
August 31, 2024	\$ 53,462	\$ 157	\$ 2,344	\$ 1,814	\$ 57,777

## 23. FINANCIAL INSTRUMENTS

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

### i) Currency Risk

The Company held its cash balances within banks in the U.S. in U.S. dollars and with banks in South Africa in U.S. dollars and South African rand. The Company's operations are conducted in the U.S. and South Africa. The value of the South African rand against the U.S. dollar may fluctuate with changes in economic conditions.

During the nine months ended August 31, 2025, in comparison to the prior year period, the U.S. dollar on average was stronger in relation to the South African rand, and upon the translation of the Company's subsidiaries' revenues, expenses, assets and liabilities held in South African rand. The Company recorded a translation adjustment gain of less than \$0.1 million and \$0.4 million related to the South African rand during the nine months ended August 31, 2025 and August 31, 2024, respectively. The Company recorded a translation adjustment gain of approximately \$0.1 million and \$0.4 million related to the South African rand during the three months ended August 31, 2025 and August 31, 2024.

The Company's South African subsidiary revenues, cost of goods sold, operating costs and capital expenditures are denominated in South African rand. Consequently, fluctuations in the U.S. dollar exchange rate against the South African rand increases the volatility of sales, cost of goods sold and operating costs and overall net earnings when translated into U.S. dollars. The Company is not using any forward or option contracts to fix the foreign exchange rates. Using a 10% fluctuation in the U.S. exchange rate, the impact on the income and stockholders' equity is not material.

### ii) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, marketable securities, accounts receivable, and the loan receivable from Byrna LATAM. The Company maintains cash and cash equivalents with high credit quality financial institutions located in the US and South Africa. The Company maintains cash and cash equivalents balances along with marketable securities with financial institutions in the US in excess of amounts insured by the Federal Deposit Insurance Corporation.

The Company provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers. As of August 31, 2025, two of the Company's customers accounted for approximately 32% of total accounts receivable. As of November 30, 2024, two of the Company's customers accounted for approximately 36% of total accounts receivable.

The Company loaned \$1.6 million to Byrna LATAM in January 2023 (see Note 8). The Company determines if an estimate for a credit loss on this loan is needed by considering the financial position of Byrna LATAM, the current economic environment, collections on our accounts receivable balances with Byrna LATAM, as well reasonable and supportable forecasts to support the payment of this loan. The Company reviews these factors quarterly to determine if any adjustments are needed.

The Company's marketable debt securities consist of U.S. Treasury Securities, and Corporate Bonds. The Company's investment policy limits the amounts the Company may invest in any one type of investment and requires all investments held by the Company to be at least AA-/Aa3 rated, thereby reducing credit risk exposure.

## ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

References in this quarterly report on Form 10-Q (the "Quarterly Report") to "we," "us" or the "Company" refer to Byrna Technologies Inc. References to our "management" or our "management team" refer to our officers and directors. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

### Special Note Regarding Forward-Looking Statements

This Quarterly Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") that are not historical facts and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Quarterly Report including, without limitation, statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding our financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as "expect," "believe," "anticipate," "intend," "may," "estimate," "opportunity," "could," "seek" and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management's current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important risk factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of our Annual Report on Form 10-K for the year ended November 30, 2024 filed with the U.S. Securities and Exchange Commission (the "SEC") on February 7, 2025, as amended on March 31, 2025 (the "2024 10-K"), and the Company's subsequent filings with the SEC, all of which can be accessed on the EDGAR section of the SEC's website at [www.sec.gov](http://www.sec.gov). Except as expressly required by applicable securities law, we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, including but not limited to our ability to design, introduce and sell new products, services and features, the impact of any regulatory proceedings or litigation, our ability to protect our intellectual property and compete with existing and new products, the impact of stock compensation expense, dividends, warrant exercises and related accounting, impairment expense and income tax expense on our financial results, our ability to manage our supply chain and avoid production delays, shortages or other factors, including product mix, cost of parts and materials and cost of labor that may impact our gross margins, our ability to retain and incentivize key management personnel, product defects, the success of our entry to new markets, customer purchase behavior and negative media publicity or public perception of our brand or products, restrictions or prohibitions imposed by advertising platforms, loss of customer data, breach of security or an extended outage related to our e-commerce storefronts, including a breach or outage by our third party cloud based storage providers, exposure to international operational risks, delayed cash collections or credit losses, determinations or audits by taxing authorities, changes in government regulations, the impact of existing or future regulation by the Bureau of Alcohol, Tobacco, and Firearms, import and export regulators, or other federal or state authority, or changes in international law in key jurisdictions including South America and South Africa or our inability to obtain needed exemptions from such existing or future regulation.

### OVERVIEW

The following discussion and analysis is intended to help you understand us, our operations and our financial performance. It should be read in conjunction with our unaudited condensed consolidated financial statements and the accompanying notes, which are included in Item 1 of this report.

Byrna Technologies is a designer, manufacturer, retailer and distributor of innovative technological solutions for security situations that do not require the use of lethal force. Our mantra is *Live Safe*, and our core mission is to empower individuals to safely and fully engage in life and adventure. Our design team's directive is to build easy-to-use self-defense tools to enhance the safety of our customers and their loved ones at home and outdoors. We are also focused on developing tools that can be used instead of firearms by professional law enforcement and private security customers to reduce shootings and facilitate trust between police and the communities they seek to serve. Our strategy is to establish Byrna® as a consumer lifestyle brand associated with the confidence people can achieve by knowing they can protect themselves, their loved ones and those around them. We believe we have a significant opportunity to leverage the Byrna brand to expand our product line, broaden our user base and generate increasing sales from new and existing customers.

Our business strategy is twofold: (1) to fulfill the growing demand for less-lethal products in the law enforcement, correctional services, and private security markets and (2) to provide civilians – including those 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.

We believe that the United States, along with many other parts of the world, is experiencing a significant spike in the demand for less-lethal products and that the less-lethal market will be one of the faster growing segments of the security market over the next decade. We plan to respond to this demand for less-lethal products through the serial production and distribution of the Byrna® SD and expansion of the Byrna product line.

On January 10, 2023, we created a new joint venture, Byrna LATAM, with Fusady S.A. ("Fusady") located in Uruguay, to expand our operations and presence in South American markets. We held 51% of the stock in Byrna LATAM, and the remaining 49% of stock in Byrna LATAM was held by Fusady. Under the terms of the joint venture, we did not control the Byrna LATAM. On August 19, 2024 we sold our 51% ownership interest to Fusady for \$1 and entered into an exclusive distribution, manufacturing and licensing agreement with Byrna LATAM. The LATAM Licensing Agreement allows Byrna LATAM to exclusively manufacture the Byrna SD launcher and ammunition in certain South American countries and requires Byrna LATAM to pay us a royalty on Byrna products manufactured. The LATAM Share Purchase Agreement also includes put and call rights based on defined triggers that expire August 19, 2029.

On July 31, 2024, our Board of Directors approved a plan to buy back up to \$10 million worth of shares of our common stock (the "Stock Buyback Program"). The Stock Buyback Program is intended to return capital to shareholders and to minimize the dilutive impact of stock options and other share-based awards. The Stock Buyback Program will expire on the sooner of the two-year anniversary of its initiation or until we reach the aggregate limit of \$10 million for the repurchases under the program.

## RESULTS OF OPERATIONS

### *Three months ended August 31, 2025 as compared to three months ended August 31, 2024:*

#### Net Revenue

The Company presents revenue net of returns, allowances, and discounts. Net revenues were \$28.2 million in the second fiscal quarter of 2025 which represents an increase of \$7.3 million, or 35.1%, as compared to the prior year period revenues of \$20.9 million. Most of the increase in revenue can be attributed to a new marketing strategy, implemented in September of 2023, shifting advertising efforts away from social media platforms and towards celebrity endorsers. Direct to customer sales, via Amazon and our website, increased by \$0.2 million, or 1.4%, from \$16.1 million in the third fiscal quarter of 2024 to \$16.3 million in the same fiscal quarter of 2025. Sales to domestic dealers and retailers also improved in the three months ended August 31, 2025, increasing by 155.2% to \$8.7 million from \$3.4 million in the three months ended August 31, 2024. Sales to international markets, including Canada, increased from \$1.3 million in the three months ended August 31, 2024 to \$2.9 million in the three months ended August 31, 2025. In addition, the Company recognized \$0.3 million in royalty revenue related to the LATAM Licensing Agreement during the third fiscal quarter of 2025.

#### Cost of Goods Sold

Cost of goods sold was \$11.3 million in the second fiscal quarter of 2025 compared to \$7.8 million in the prior year period. This increase of \$3.5 million, or 44.9%, is primarily due to the increase in sales volumes.

#### Gross Profit

Gross profit is calculated as total revenue less cost of goods sold and gross margin is calculated as gross profit divided by total revenue. Included as cost of goods sold are costs associated with the production and procurement of products, such as labor and overhead, inbound freight costs, manufacturing depreciation, purchasing and receiving costs, and inspection costs. Gross profit was \$16.9 million in the third fiscal quarter of 2025, or 60.1% of net revenue, as compared to gross profit of approximately \$13.0 million, or 62.4% of net revenue, in the prior year period. The decrease was primarily due to a shift in sales channel mix as a larger proportion of sales were generated through wholesale channels, which typically carry lower gross margins than our higher-margin ecommerce sales.

#### Operating Expenses

Operating expenses were \$14.1 million in the third fiscal quarter of 2025, an increase of \$1.9 million, as compared to the prior year period expenses of \$12.2 million. The increase is due to an increase of \$0.8 million in marketing expenses, an increase of \$0.8 million in variable expenses, which increase in proportion to sales volume, an increase of \$0.3 million in employee compensation costs.

#### Other Income (Expense)

We recorded \$0.1 million of foreign currency transaction loss during the three months ended August 31, 2025 compared to \$0.1 million during the three months ended August 31, 2024. We recorded \$0.1 million of interest income during the three months ended August 31, 2025 compared to \$0.3 million in the three months ended August 31, 2024.

### Income Tax Provision

For the three months ended August 31, 2025 and August 31, 2024, we recorded \$0.6 million and a nominal amount of income tax expense, respectively. For the three months ended August 31, 2025 and August 31, 2024, the effective tax rate was 20.56% and 0.1%, respectively. Our tax rate differs from the statutory rate of 21.0% due to the effects of state taxes net of federal benefit, the foreign tax rate differential as a result of Byrna South Africa, effects of permanent non-deductible expenses, and other effects.

### Net Income

Net income was \$2.2 million for the three months ended August 31, 2025, an improvement of \$1.2 million compared to \$1.0 million for the three months ended August 31, 2024.

### Non-GAAP Financial Measures

In addition to providing financial measurements based on generally accepted accounting principles in the United States (GAAP), we provide an additional financial metric that is not prepared in accordance with GAAP (non-GAAP) with presenting non-GAAP adjusted EBITDA. Management uses this non-GAAP financial measure, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance. We believe that this non-GAAP financial measure helps us to identify underlying trends in our business that could otherwise be masked by the effect of certain expenses that we exclude in the calculations of the non-GAAP financial measure.

Accordingly, we believe that this non-GAAP financial measure reflects our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business and provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects.

This non-GAAP financial measure does not replace the presentation of our GAAP financial results and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP. There are limitations in the use of non-GAAP measures, because they do not include all the expenses that must be included under GAAP and because they involve the exercise of judgment concerning exclusions of items from the comparable non-GAAP financial measure. In addition, other companies may use other non-GAAP measures to evaluate their performance, or may calculate non-GAAP measures differently, all of which could reduce the usefulness of our non-GAAP financial measure as a tool for comparison.

### Adjusted EBITDA

Adjusted EBITDA is defined as net income as reported in our Condensed Consolidated Statements of Operations and Comprehensive Income excluding the impact of (i) depreciation and amortization; (ii) income tax provision (benefit); (iii) interest income (expense); (iv) stock-based compensation expense, (v) impairment loss and (vi) one-time, non-recurring other expenses or income. Our Adjusted EBITDA measure eliminates potential differences in performance caused by variations in capital structures (affecting finance costs), tax positions, the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense). We also exclude certain one-time and non-cash costs. Reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measure, is as follows (in thousands):

	<b>For the Three Months Ended</b>	
	<b>August 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Net income</b>	\$ 2,235	\$ 1,025
<b>Adjustments:</b>		
Interest income	(97)	(281)
Income tax expense (benefit)	628	(78)
Depreciation and amortization	259	263
<b>Non-GAAP EBITDA</b>	<b>3,025</b>	<b>929</b>
Stock-based compensation expense	734	819
Severance/Officer recruiting	(36)	196
<b>Non-GAAP adjusted EBITDA</b>	<b>\$ 3,723</b>	<b>\$ 1,944</b>

### Nine months ended August 31, 2025 as compared to nine months ended August 31, 2024:

#### Net Revenue

The Company presents revenue net of returns, allowances, and discounts. Net revenues were \$82.9 million in the nine months ended August 31, 2025 which represents an increase of \$25.1 million, or 43.4%, as compared to the prior year period revenues of \$57.8 million. Most of the increase in revenue can be attributed to a new marketing strategy, implemented in September of 2023, shifting advertising efforts away from social media platforms and towards celebrity endorsers. Direct to customer sales, via Amazon and our website, which increased by \$7.7 million, or 17.3%, from \$44.4 million in the nine months ended August 31, 2024 to \$52.1 million in the nine months ended August 31, 2025. Sales to domestic dealers and retailers also improved, increasing by 122.4% to \$21.8 million from \$9.8 million in the nine months ended August 31, 2024. Sales to international markets, including Canada, increased from \$3.6 million in the nine months ended August 31, 2024 to \$7.9 million in the nine months ended August 31, 2025. In addition, the Company recognized \$1.1 million in royalty revenue related to the LATAM Licensing Agreement during the nine months ended August 31, 2025.

#### Cost of Goods Sold

Cost of goods sold was \$32.5 million in the nine months ended August 31, 2025, compared to \$22.6 million in the prior year period. This increase of \$9.9 million, or 43.9%, is primarily due to the increase in sales volumes.

#### Gross Profit

Gross profit is calculated as total revenue less cost of goods sold and gross margin is calculated as gross profit divided by total revenue. Included as cost of goods sold are costs associated with the production and procurement of products, such as labor and overhead, inbound freight costs, manufacturing depreciation, purchasing and receiving costs, and inspection costs. Gross profit was \$50.4 million in the nine months ended August 31, 2025, or 60.8% of net revenue, as compared to gross profit of approximately \$35.2 million, or 60.9% of net revenue, in the prior year period. The decrease was primarily due to a shift in sales channel mix as a larger proportion of sales were generated through wholesale channels, which typically carry lower gross margins than our higher-margin ecommerce sales.

#### Operating Expenses



Operating expenses were \$42.5 million in the nine months ended August 31, 2025, an increase of \$9.9 million, as compared to the prior year period expenses of \$32.6 million. The increase is due to an increase of \$3.3 million in marketing expenses, an increase of \$2.7 million in variable expenses, which increase in proportion to sales volume, and an increase of \$2.4 million in employee compensation costs.

Other Income (Expense)

We recorded \$0.3 million of foreign currency transaction loss during the nine months ended August 31, 2025, compared to \$0.4 million during the nine months ended August 31, 2024. We recorded \$0.4 million of interest income during the nine months ended August 31, 2025, compared to \$0.9 million in the nine months ended August 31, 2024.

### Income Tax Provision

For the nine months ended August 31, 2025 and August 31, 2024, we recorded \$1.7 million of income tax expense and \$0.1 million of income tax benefit, respectively. For the nine months ended August 31, 2025 and August 31, 2024, the effective tax rate was 18.3% and 0.2%, respectively. Our tax rate differs from the statutory rate of 21.0% due to the effects of state taxes net of federal benefit, the foreign tax rate differential as a result of Byrna South Africa, effects of permanent non-deductible expenses, and other effects.

### Net Income

Net income was \$6.3 million for the nine months ended August 31, 2025, an improvement of \$3.2 million compared to \$3.1 million for the nine months ended August 31, 2024.

### Non-GAAP Financial Measures

In addition to providing financial measurements based on generally accepted accounting principles in the United States (GAAP), we provide an additional financial metric that is not prepared in accordance with GAAP (non-GAAP) with presenting non-GAAP adjusted EBITDA. Management uses this non-GAAP financial measure, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance. We believe that this non-GAAP financial measure helps us to identify underlying trends in our business that could otherwise be masked by the effect of certain expenses that we exclude in the calculations of the non-GAAP financial measure.

Accordingly, we believe that this non-GAAP financial measure reflects our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business and provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects.

This non-GAAP financial measure does not replace the presentation of our GAAP financial results and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP. There are limitations in the use of non-GAAP measures, because they do not include all the expenses that must be included under GAAP and because they involve the exercise of judgment concerning exclusions of items from the comparable non-GAAP financial measure. In addition, other companies may use other non-GAAP measures to evaluate their performance, or may calculate non-GAAP measures differently, all of which could reduce the usefulness of our non-GAAP financial measure as a tool for comparison.

### *Adjusted EBITDA*

Adjusted EBITDA is defined as net income as reported in our Condensed Consolidated Statements of Operations and Comprehensive Income excluding the impact of (i) depreciation and amortization; (ii) income tax provision (benefit); (iii) interest income (expense); (iv) stock-based compensation expense, (v) impairment loss and (vi) one-time, non-recurring other expenses or income. Our Adjusted EBITDA measure eliminates potential differences in performance caused by variations in capital structures (affecting finance costs), tax positions, the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense). We also exclude certain one-time and non-cash costs. Reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measure, is as follows (in thousands):

	<b>For the Nine Months Ended</b>	
	<b>August 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Net income (loss)</b>	<b>\$ 6,324</b>	<b>\$ 3,120</b>
<b>Adjustments:</b>		
Interest income	(400)	(883)
Income tax expense (benefit)	1,666	(75)
Depreciation and amortization	696	1,113
<b>Non-GAAP EBITDA</b>	<b>\$ 8,286</b>	<b>3,275</b>
Stock-based compensation expense	2,297	2,615
Severance/Separation	210	431
<b>Non-GAAP adjusted EBITDA</b>	<b>\$ 10,793</b>	<b>\$ 6,321</b>

## LIQUIDITY AND CAPITAL RESOURCES

### Cash Flow Summary

Cash and cash equivalents as of August 31, 2025 totaled \$6.5 million, a decrease of \$10.3 million from \$16.8 million of cash and cash equivalents as of November 30, 2024.

### Operating Activities

Cash used in operating activities was \$11.5 million for the nine months ended August 31, 2025 compared to cash provided by operations of \$4.5 million during the prior year period. Net income was \$6.3 million compared to \$3.1 million for the nine months ended August 31, 2025 and August 31, 2024, respectively. Significant changes in noncash and working capital activity are as follows:

Non-cash activity includes stock-based compensation expense of \$2.3 million for the nine months ended August 31, 2025, compared to \$2.6 million for the nine months ended August 31, 2024; depreciation and amortization expense of \$1.6 million for the nine months ended August 31, 2025, compared to \$1.1 million for the nine months ended August 31, 2024; and a loss on disposal of fixed assets of \$0.6 million for the nine months ended August 31, 2025 compared to less than \$0.1 million for the nine months ended August 31, 2024. In addition to the non-cash activities mentioned above, the Company recognized a deferred tax asset of \$1.7 million for the nine months ended August 31, 2025, compared to less than \$0.1 million for the nine months ended August 31, 2024.

Inventory increased during the nine months ended August 31, 2025 by \$14.1 million compared to a increase of \$5.9 million for the nine months ended August 31, 2024. Accounts receivable increased by \$6.2 million during the nine months ended August 31, 2025 as compared to a decrease of \$0.8 million for the nine months ended August 31, 2024. Accounts payable and accrued liabilities decreased during the nine months ended August 31, 2025 by \$0.4 million compared to an increase of \$5.0 million for the nine months ended August 31, 2024. Prepaid expenses and other current assets increased by \$1.9 million during the nine months ended August 31, 2025 compared to an increase of \$1.2 million during the nine months ended August 31, 2024. Operating lease liabilities decreased by \$0.4 million during the nine months ended August 31, 2025 compared to a decrease of \$0.5 million during the nine months ended August 31, 2024. Deferred revenues decreased \$1.5 million during the nine months ended August 31, 2025 compared to a decrease of \$1.1 million for the nine months ended August 31, 2024.

### Investing Activities

Cash provided by investing activities was \$0.6 million for the nine months ended August 31, 2025 compared to \$1.4 million cash used for the nine months ended August 31, 2024. The prior year period investing activities primarily relates to the purchases of property and equipment while the current period relates to purchases of property and equipment, acquisition of Federal Firearms Licenses, and proceeds from sale of marketable securities. Property and equipment increased during the nine months ended August 31, 2025 by \$4.6 million compared to an increase of \$1.4 million for the nine months ended August 31, 2024. Proceeds from the sale of property and equipment during the nine months ended August 31, 2025, was \$0.1 million compared to less than \$0.1 million for the nine months ended August 31, 2024. Marketable debt securities decreased during the nine months ended August 31, 2025 by \$6.4 million. There were no marketable debt securities held during the same period in the prior year. Capital expenditures were higher than typical in the first half of the fiscal year due to the build out of retail stores and new ammunition manufacturing facility. Capital expenditures are expected to decrease in the fourth quarter of the current fiscal year.

### Financing Activities

Cash provided by financing activities was \$0.1 million for the nine months ended August 31, 2025 compared to cash used in financing activities of \$3.9 million for the nine months ended August 31, 2024. The current year amount was primarily composed of proceeds from stock option exercises of \$0.3 million, taxes paid on issuances of restricted stock units of \$0.1 million, and payments of \$0.1 million for repurchases of common stock. The prior year amount was primarily composed of proceeds from stock option exercises of \$0.1 million, stock repurchases of \$3.2 million and taxes paid on issuances of restricted stock units of \$0.8 million.

We require significant capital to meet our obligations as they become due. Throughout the next twelve months, we intend to fund our operations primarily from the funds raised through our operations. We may pursue secondary equity offerings or debt financings to provide working capital and satisfy debt obligations. There can be no assurance as to the availability or terms upon which such financing and capital might be available in the future. If we are required to raise capital to support our operations and are unable to secure additional funding, we may be forced to curtail or suspend our business plans.

### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

See Note 5, “Recent Accounting Guidance,” in the Notes to unaudited condensed consolidated financial statements included in Item 1 of this report for a discussion of recently issued and adopted accounting standards.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

Our unaudited condensed consolidated financial statements are based on the selection and application of significant accounting policies, which require management to make significant estimates and assumptions. Our significant accounting policies are outlined in Note 4, “Summary of Significant Accounting Policies,” in the Notes to Consolidated Financial Statements included in Item 8 of the 2024 10-K. During the three and nine months ended August 31, 2025, there were no significant changes to our critical accounting policies from those described in our 2024 10-K.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), evaluated the effectiveness of our disclosure controls and procedures as of August 31, 2025 pursuant to Rule 13a-15(b) of the Exchange Act. Disclosure controls and procedures are designed to ensure that material information that we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that material information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our CEO and CFO concluded with reasonable assurance, that as of August 31, 2025, our disclosure controls and procedures were effective.

#### **Changes in Internal Controls Over Financial Reporting**

There were no changes that occurred during the third quarter of 2025 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

In the normal course of business, we occasionally become involved in various legal proceedings. The results of any such proceedings cannot be predicted with certainty because such matters are inherently uncertain. Significant damages or penalties may be sought in some matters, and some matters may require years to resolve. In our opinion, at this time, any liability from such proceedings would not have a material adverse effect on our business or financial condition.

### ITEM 1A. RISK FACTORS

Factors that could cause our actual results to differ materially from those in this report include the “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended November 30, 2024, filed with the SEC on February 7, 2025, as amended on March 31, 2025. Except as set forth below, there have been no material changes to the risk factors disclosed in our 2024 Form 10-K.

*Tariffs, sanctions, restrictions on imports or other trade barriers between the United States and various countries may impact our revenue and results of operations.*

Political changes and trends such as populism, protectionism, economic nationalism and sentiment toward internationally operating companies, and resulting tariffs, export controls, trade sanctions, sanctions blocking statutes, or other trade barriers, or changes to tax or other laws and policies, have been and may continue to be disruptive and costly to our business, and these can interfere with our expanding international sales, supply chain, production costs, customer relationships, and competitive position. For example, the current presidential administration has imposed tariffs on goods from a variety of countries. These tariffs currently affect a small portion of the components of our products that we import and we may be required to raise our prices on those products due to the tariffs or share the cost of such tariffs with our customers, which could harm our operating performance. We work closely with third parties who monitor, evaluate and keep us informed about the potential impact of the effective and proposed tariffs as well as other recent changes in foreign trade policy on our supply chain, costs, sales and profitability and seek to implement strategies to mitigate such impact, including reviewing sourcing options and working with our vendors and merchants to seek to minimize product coming from China and other countries both in existing and new product development and select suppliers in low cost regions where tariff issues are less challenging. Notwithstanding these efforts, it is possible that further tariffs may be imposed on our other imports, or that our business will be impacted by retaliatory trade measures taken by other countries in response to existing or future tariffs, causing us to raise prices or make changes to our operations, any of which could materially harm our revenue or operating results. Further escalation of specific trade tensions, such as those between the United States and China, or in global trade conflict more broadly could be harmful to global economic growth, and related decreases in confidence or investment activity in the global markets would adversely affect our business performance. We do business in emerging market jurisdictions, such as South Africa and South America, where economic, political and legal risks are heightened.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On July 31, 2024, our Board of Directors approved a program to buy back up to \$10 million worth of shares of our Common Stock from the open market during a period of two years (the “Stock Buyback Program”). The Stock Buyback Program is intended to return capital to shareholders and to minimize the dilutive impact of stock options and other share-based awards. During the three months ended August 31, 2025, no shares of common stock were repurchased. See Note 15 of our notes to condensed consolidated financial statements for information regarding the Stock Buyback Program.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

### ITEM 5. OTHER INFORMATION.

#### Insider Adoption or Termination of Trading Arrangements:

During the fiscal quarter ended August 31, 2025, none of our directors or officers informed us of the adoption, modification or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408, except as described in the table below:

Name & Title	Date Adopted	Character of Trading Arrangement (2)	Aggregate Number of Shares of Common Stock to be Purchased or Sold Pursuant to Trading Arrangement	Duration (3)	Other Material Terms	Date Terminated
Luan Pham (1)	July 14, 2025	Rule 10b5-1 Trading Arrangement	Up to 142,661 shares to be sold	January 5, 2026 through December 21, 2026	N/A	N/A

1. Bryan Ganz, our Chief Executive Officer and a member of our Board of Directors, is an indirect holder of shares held by Northeast Industrial Partners LLC and disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein. The inclusion of these shares in this report shall not be deemed an admission of beneficial ownership of all of the reported shares for purposes of Section 16 or for any other purpose.
2. The trading arrangement is intended to satisfy the affirmative defense of Rule 10b5-1(c), as amended (the “Rule”), and complied with the then applicable requirements of the Rule at the time of adoption.
3. Except as indicated by footnote and unless terminated or suspended, each trading arrangement permits transactions through and including the earlier to occur of (a) the completion of all sales or (b) the date listed in the table. Each trading arrangement only permits transactions upon expiration of the applicable mandatory cooling-off period under the Rule. Each trading arrangement also provides for automatic expiration on the date on which the broker receives notice of the death of the applicable seller or of the commencement of any proceedings in respect of or triggered by the applicable seller’s bankruptcy or insolvency.

## ITEM 6. EXHIBITS.

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

No.	Description of Exhibit
<a href="#"><u>4.1</u></a>	<a href="#"><u>Byrna Technologies Inc. Amended and Restated 2020 Equity Incentive Plan (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on February 7, 2025).</u></a>
<a href="#"><u>10.2</u></a>	<a href="#"><u>Separation Agreement between Byrna Technologies Inc. and David North, dated June 19, 2024 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2024).</u></a>
<a href="#"><u>10.3</u></a>	<a href="#"><u>Consulting Agreement between Byrna Technologies Inc. and David North, dated June 19, 2024 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2024).</u></a>
<a href="#"><u>31.1*</u></a>	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
<a href="#"><u>31.2*</u></a>	<a href="#"><u>Certification of Principal Financial and Accounting Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
<a href="#"><u>32.1**</u></a>	<a href="#"><u>Certification of Principal Executive Officer and Principal Financial and Accounting Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>
101.INS*	Inline XBRL Instance Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith.

\*\* Furnished.

## SIGNATURES

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

### **Byrna Technologies Inc.**

Date: October 9, 2025

/s/ Bryan Ganz  
\_\_\_\_\_  
Name: Bryan Ganz  
Title: President and Chief Executive Officer, Chairman of the  
Board  
(Principal Executive Officer)

Date: October 9, 2025

/s/ Laurilee Kearnes  
\_\_\_\_\_  
Name: Laurilee Kearnes  
Title: Chief Financial Officer  
(Principal Financial Officer and Principal Accounting  
Officer)



**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bryan Ganz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Byrna Technologies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's third fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 9, 2025

By: /s/ Bryan Ganz

Bryan Ganz  
Chief Executive Officer, President, and Director  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lauri Kearnes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Byrna Technologies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's third fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 9, 2025

By: /s/ Laurilee Kearnes  
Laurilee Kearnes  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Byrna Technologies Inc. (the “Company”) for the period ended August 31, 2025, as filed with the Securities and Exchange Commission (the “Report”), each of the undersigned, in the capacities and on the date indicated below, hereby certify pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: October 9, 2025

By: /s/ Bryan Ganz

Bryan Ganz  
Chief Executive Officer, President, and Director  
(Principal Executive Officer)

By: /s/ Laurilee Kearnes

Laurilee Kearnes  
Chief Financial Officer  
(Principal Financial and Accounting Officer)