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 February 28, 2026

☐ **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	**71-1050654**
(State or other jurisdiction of incorporation or organization)	(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	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.001, par value per share	**BYRN**	**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 ☐	Accelerated filer ☐
Non-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 April 9, 2026, the Company had 22,685,654 outstanding shares of common stock.

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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)

	February 28, 2026 Unaudited	November 30, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 7,452	$ 13,727
Accounts receivable, net	11,561	10,840
Restricted cash - current	400	—
Inventory, net	33,099	32,694
Prepaid expenses and other current assets	5,082	4,681
Marketable debt securities	1,755	1,754
Total current assets	59,349	63,696
LONG TERM ASSETS		
Deposits for equipment	1,852	1,495
Right-of-use-assets, net	1,879	2,042
Property and equipment, net	7,419	7,726
Intangible assets, net	3,021	3,086
Goodwill	2,258	2,258
Deferred tax asset, net	3,990	4,134
Other assets	132	51
TOTAL ASSETS	$ 79,900	$ 84,488
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 10,775	$ 15,864
Operating lease liabilities, current	751	734
Deferred revenue, current	445	496
Total current liabilities	11,971	17,094
LONG TERM LIABILITIES		
Deferred revenue, non-current	22	25
Operating lease liabilities, non-current	1,419	1,612
Total liabilities	13,412	18,731
COMMITMENTS AND CONTINGENCIES (NOTE 21)		
STOCKHOLDERS' EQUITY		
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. 25,322,923 shares issued and 22,684,340 shares outstanding as of February 28, 2026, and 25,258,393 shares issued and 22,678,715 outstanding as of November 30, 2025	25	25
Additional paid-in capital	136,398	135,870
Treasury stock (2,638,583 and 2,579,678 shares purchased as of February 28, 2026 and November 30, 2025, respectively)	(23,308)	(22,355)
Accumulated deficit	(46,295)	(47,096)
Accumulated other comprehensive loss	(332)	(687)
Total Stockholders' Equity	66,488	65,757
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 79,900	$ 84,488

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)

	For the Three Months Ended February 28, 2026	For the Three Months Ended February 28, 2025
Net revenue	$ 29,049	$ 26,190
Cost of goods sold	11,648	10,266
Gross profit	17,401	15,924
Operating expenses	16,473	14,228
INCOME FROM OPERATIONS	928	1,696
OTHER INCOME (EXPENSE)		
Foreign currency transaction loss	(238)	(80)
Interest income, net	88	186
Other income	19	-
INCOME BEFORE INCOME TAXES	797	1,802
Income tax benefit (provision)	4	(140)
NET INCOME	801	1,662
Foreign exchange translation adjustment	354	(130)
Unrealized gain on marketable debt securities	1	60
COMPREHENSIVE INCOME	$ 1,156	$ 1,592
Basic net income per share	$ 0.04	$ 0.07
Diluted net income per share	$ 0.03	$ 0.07
Weighted-average number of common shares outstanding - basic	22,667,850	22,587,099
Weighted-average number of common shares outstanding - diluted	23,829,637	24,098,635

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	For the Three Months Ended February 28, 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	$ 801	$ 1,662
Adjustments to reconcile net income to net cash used in operating activities:		
Stock-based compensation expense	535	840
Depreciation and amortization	635	440
Operating lease costs	163	234
Deferred tax provision (asset)	144	369
Allowance for expected credit losses	360	—
Recovery of allowance for inventory	(76)	—
Changes in assets and liabilities:		
Accounts receivable	(856)	(270)
Deferred revenue	(54)	(1,315)
Inventory	(329)	(3,210)
Prepaid expenses and other current assets	(401)	(460)
Other assets	(81)	(40)
Accounts payable and accrued liabilities	(5,089)	(1,925)
Operating lease liabilities	(176)	(102)
NET CASH USED IN OPERATING ACTIVITIES	(4,424)	(3,777)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(621)	(2,642)
Purchases of marketable debt securities	—	(2,656)
NET CASH USED IN INVESTING ACTIVITIES	(621)	(5,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from stock option exercises	—	93
Repurchase of common stock	(953)	—
Payment of taxes withheld on issuance of restricted stock units	(7)	(67)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(960)	26
Effects of foreign currency exchange rate changes	130	(111)
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH FOR THE PERIOD	(5,875)	(9,160)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	13,727	16,829
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	$ 7,852	$ 7,669
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents, end of period	$ 7,452	$ 7,669
Restricted cash, end of period	400	—
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	$ 7,852	$ 7,669

See accompanying notes to the unaudited condensed consolidated financial statements.

BYRNA TECHNOLOGIES INC.
Condensed Consolidated Statements of Changes in Stockholders' Equity
For the Three Months Ended February 28, 2026 and 2025
(Amounts in thousands except share numbers)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	$		Shares	$			
Balance, November 30, 2025	**25,258,393**	**$ 25**	**$ 135,870**	**(2,579,678)**	**$ (22,355)**	**$ (47,096)**	**$ (687)**	**$ 65,757**
Stock-based compensation	—	—	535	—	—	—	—	**535**
Issuance of common stock pursuant to vesting of restricted stock units	64,530	—	(7)	—	—	—	—	**(7)**
Repurchase of common shares under StockBuyback Plan	—	—	—	(58,905)	(953)	—	—	(953)
Net income	—	—	—	—	—	801	—	**801**
Unrealized gain on marketable securities	—	—	—	—	—	—	1	**1**
Foreign currency translation	—	—	—	—	—	—	354	**354**
Balance, February 28, 2026	**25,322,923**	**$ 25**	**$ 136,398**	**(2,638,583)**	**$ (23,308)**	**$ (46,295)**	**$ (332)**	**$ 66,488**
Balance, November 30, 2024	**25,010,976**	**$ 25**	**$ 133,029**	**(2,515,217)**	**$ (21,253)**	**$ (56,783)**	**$ (649)**	**$ 54,369**
Stock-based compensation	—	—	840	—	—	—	—	**840**
Issuance of common stock pursuant to exercise of stock options	74,551	—	93	—	—	—	—	**93**
Issuance of common stock pursuant to vesting of restricted stock units	96,925	—	(67)	—	—	—	—	**(67)**
Net income	—	—	—	—	—	1,662	—	**1,662**
Unrealized gain on marketable securities	—	—	—	—	—	—	60	60
Foreign currency translation	—	—	—	—	—	—	(130)	**(130)**
Balance, February 28, 2025	**25,182,452**	**$ 25**	**$ 133,895**	**(2,515,217)**	**$ (21,253)**	**$ (55,121)**	**$ (719)**	**$ 56,827**

See accompanying notes to the unaudited condensed consolidated financial statements.

1. NATURE OF OPERATIONS

Byrna Technologies Inc. (the "Company," or "Byrna,") is a less-lethal defense technology company specializing in next generation solutions for security situations that do not require the use of lethal force. The Company designs, develops, manufactures, and markets a portfolio of personal security devices, kinetic and chemical irritant projectiles, and related accessories for consumer, law enforcement, private security, and other institutional markets. Byrna personal security devices are less-lethal self-defense devices that are powered by CO2 and fire .61 and .68 caliber spherical kinetic and chemical irritant projectiles. The Company's mission is to provide effective, easy-to-use, and reliable less-lethal solutions that enable responsible self-defense and de-escalation. The Company sells its products through multiple channels including its e-commerce website, Amazon storefronts, Company-operated retail stores, domestic and international dealers and distributors, and direct sales to law enforcement agencies. The Company's products are manufactured at its facilities in Fort Wayne, Indiana. The Company previously operated a manufacturing facility in Pretoria, South Africa; these operations ceased during the third quarter of fiscal 2025, and the related lease was not renewed. In March 2025, the Company established a wholly owned subsidiary, Byrna Technologies Canada Inc., to support the distribution of Byrna products within the Canadian market. Byrna Canada does not conduct manufacturing activities and does not operate any owned or leased facilities; instead, it utilizes a third-party logistics provider to fulfill customer orders placed through the Company's Canadian e-commerce platform.

The Company operates and reports its results through two reportable sales channels: Direct-to-Consumer("DTC") and Wholesale (dealer/distributors).

2. OPERATIONS AND MANAGEMENT PLANS

As of February 28, 2026, the Company had an accumulated deficit of approximately $46.3 million. The Company has historically funded its operations primarily through the issuance of the Company's common stock, par value $0.001 per share ("Common Stock"). The Company generated net income of $0.8 million for the three months ended February 28, 2026. The Company's future results will depend on its ability to continue generating sufficient revenue to fund operating expenses and to effectively market its products.

3. BASIS OF PRESENTATION

These unaudited condensed consolidated financial statements for the three months ended February 28, 2026 and 2025 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, 2025. In the opinion of management, the accompanying unaudited condensed consolidated financial statements, the results of its operations for the three months ended February 28, 2026 and 2025, and its cash flows for the three months ended February 28, 2026 and 2025 are not necessarily indicative of results to be expected for the full year.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. These reclassifications had no impact on previously reported net income, total assets, or cash flows.

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 reserves for sales returns, allowances, and discounts, stock-based compensation expense, valuation allowance for deferred tax assets, incremental borrowing rate on leases, useful life of long-lived assets, allowance for estimated credit losses, and inventory reserves.

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.

Recently Adopted Accounting Pronouncements

Effective December 1, 2025, the Company early adopted FASB Accounting Standards Update (“ASU”) 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The ASU provides a practical expedient that permits entities to assume that economic conditions existing as of the balance sheet date will remain unchanged when estimating expected credit losses on current trade receivables and contract assets. The Company elected this practical expedient and applied the guidance prospectively. The adoption of ASU 2025-05 did not have a material impact on the Company’s condensed consolidated financial statements.

Accounting Pronouncements Issued but Not Adopted

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. 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 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. 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.

6. GOODWILL

Goodwill resulting from a business combination is not amortized but is reviewed for impairment at least annually, or more frequently when events or changes in circumstances indicate that the fair value of a reporting unit may be less than its carrying amount. The Company performs its annual goodwill impairment assessment during the fourth quarter of each fiscal year. As of three months ended February 28, 2026 and 2025, the Company determined that there were no indicators of goodwill impairment.

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 months ended February 28, 2026, there were realized gains on investments of less than $0.1 million. There were no realized gains or losses on investments for the three months ended February 28, 2025. For the three months ended February 28, 2026 and 2025, there were net unrealized gains on marketable debt securities of less than $0.1 million in both periods.

The following table summarizes our marketable securities and available-for-sale investments as of February 28, 2026 (in thousands):

	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Investments
Corporate bonds	$ 737	$ 12	$ -	$ 749	$ 749
U.S. Treasury securities	999	7	-	1,006	1,006
Total	$ 1,736	$ 19	$ -	$ 1,755	$ 1,755

The following table summarizes our marketable securities and available-for-sale investments as of November 30, 2025 (in thousands):

	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Investments
Corporate bonds	$ 737	$ 11	$ -	$ 748	$ 748
U.S. Treasury securities	999	7	-	1,006	1,006
Total	$ 1,736	$ 18	$ -	$ 1,754	$ 1,754

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 February 28, 2026:

			February 28, 2026		
			Fair Value Measurement Based on		
	Cost	Fair Value	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 4,668	$ 4,668	$ 4,668	$ -	$ -
Corporate bonds	737	749	-	749	-
U.S. Treasury securities	999	1,006	-	1,006	-
Total	$ 6,404	$ 6,423	$ 4,668	$ 1,755	$ -

The following table summarizes the fair value of marketable debt securities by level within the fair value hierarchy as of November 30, 2025:

			November 30, 2025		
			Fair Value Measurement Based on		
	Cost	Fair Value	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 5,043	$ 5,043	$ 5,043	$ -	$ -
Corporate bonds	737	748	-	748	-
U.S. Treasury securities	999	1,006	-	1,006	-
Total	$ 6,779	$ 6,797	$ 5,043	$ 1,754	$ -

8. TRANSACTIONS WITH BYRNA LATAM

On August 19, 2024, the Company 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 months ended February 28, 2026 was $0.2 million, and royalties receivable outstanding as of February 28, 2026 totaled $1.4 million, net of allowance for expected credit losses, and are included in accounts receivable. The amount outstanding as of November 30, 2025 was $1.1 million.

In January 2023 and as amended in August 2024, the Company loaned $1.6 million to Byrna LATAM. 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. Interest income related to the loan receivable was less than $0.1 million for the three months ended February 28, 2026 and 2025. The interest income is included in interest income in the Condensed Consolidated Statements of Operations and Comprehensive Income. The loan receivable of $1.0 million and $1.1 million was recorded in Prepaid expenses and other current assets in the condensed consolidated balance sheet as of February 28, 2026 and November 30, 2025, respectively.

Subsequent to February 28, 2026, the Company and Byrna LATAM entered into a third amendment to the loan agreement, pursuant to which accrued interest from the stub period was capitalized into principal and the outstanding loan balance was restated at approximately $0.6 million. The amended agreement provides for repayment of the restated principal balance, together with interest at 5%, in thirteen equal monthly installments commencing April 20, 2026 and concluding April 20, 2027.

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, tradeshows, and other activities designed to enhance demand for the Company's products. The Company recorded advertising costs of approximately $5.3 million and $4.0 million for the three months ended February 28, 2026 and 2025, respectively.

10. REVENUE, DEFERRED REVENUE AND ACCOUNTS RECEIVABLE

<u>Product Sales</u>

The Company generates revenue through e-commerce portals to consumers, as well as wholesale distribution of its products and accessories to dealers, distributors, retail stores and 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 these 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. New wholesale and large end-user customers typically prepay for their initial order. Revenue is recognized net of estimated returns, discounts, and allowances. Products purchased include a standard one-year assurance-type warranty that cannot be purchased separately. This warranty allows customers to return defective products for repair or replacement within one year of sale. The Company also sells an extended three-year warranty that may be purchased separately and is accounted for as a service-type warranty. Because the first year of warranty coverage is included and non-separable from all launcher purchases, the extended three-year warranty represents a service obligation during the second and third years after sale. Amounts billed for extended warranties are recorded as deferred revenue and recognized on a straight-line basis during the coverage period. The Company maintains a reserve for expected warranty claims based on historical experience, and current conditions

During the second quarter of 2025, the Company offered a complimentary five-year extended warranty with any launcher purchased during May 2025. The Company determined the standalone selling price of the five-year warranty and, in accordance with ASC 606, allocated a portion of the transaction price to this separate performance obligation using the relative standalone selling price method. The allocated amount is recorded as deferred revenue and is recognized on a straight-line basis over the five-year coverage period. Revenue related to both the three-year and five-year extended warranties was immaterial for the three months ended February 28, 2026 and 2025.

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. The Company estimates returns using the expected value method, as a range of potential outcomes may exist. Returns under the 14-day money back guarantee for the three months ended February 28, 2026 and February 28, 2025 was immaterial. For purchases made through Amazon, certain Byrna products-including launchers, CO_2 tubes, chemical irritant projectiles, and pepper sprays are designated as non-returnable. Other accessories are subject to Amazon's standard 30-day return policy. The Company estimates expected Amazon returns using the same expected value method applied to its direct-to-consumer sales. Expected Amazon-related return reserves for the three months ended February 28, 2026 and 2025 was immaterial.

The Company sells to dealers and retailers for whom there is no money-back guarantee but may request a return or credit for unforeseen reasons or may have agreed-upon discounts marketing allowances, cooperative advertising programs, or other promotional incentives to be netted from amounts invoiced. The Company reserves for returns, discounts marketing programs, and allowances based on past performance, contractual terms and expectations of future activity and reports revenue net of the estimated reserve. The Company's reserve for returns, discounts, marketing programs and allowances for the three months ended February 28, 2026 and 2025 was $0.1 million and immaterial, respectively.

Shipping and handling activities related to contracts with customers are accounted for as costs to fulfill the performance obligation. 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

Included as cost of goods sold are expenses 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.

Royalty Revenue

The Company recognizes royalty revenue associated with the LATAM Licensing Agreement.

Royalty revenue is recognized in accordance with ASC 606. Sales based royalties related to licenses of functional intellectual property are recognized when the licensed products are manufactured, provided the amount is fixed or determinable and collection is probable. Accordingly, the Company recognizes royalty revenue when (i) the licensee's manufacturing activity occurs, (ii) the royalty amount is fixed or determinable under the agreement, and (iii) collection is probable.

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 $11.6 million, $10.8 million and $2.6 million as of February 28, 2026, November 30, 2025, and November 30, 2024, respectively. Accounts receivable also includes royalty receivables. The amount of royalty receivable included in accounts receivable was $1.4 million, $1.1 million, and not material as of February 28, 2026, November 30, 2025, and November 30, 2024, respectively.

Allowance for Expected Credit Losses

The Company maintains an allowance for current expected credit losses on trade receivables. Effective December 1, 2025, the Company early adopted ASU 2025-05 and applied the guidance prospectively. In connection with the adoption, the Company elected the practical expedient that allows entities to assume that economic conditions existing as of the balance sheet date will remain unchanged when estimating expected credit losses on current trade receivables. Under this approach, the Company estimates expected credit losses based on relevant customer-specific credit risk information and collection patterns without incorporating forward-looking economic forecasts for these short-term receivables. Prior to adoption, the Company estimated its allowance for credit losses by considering historical collectability based on past due status, the creditworthiness of customers based on ongoing credit evaluations, 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 February 28, 2026, November 30, 2025, and November 30, 2024, the total allowance for expected credit losses recorded was $0.4 million, $0.1 million, and $0.3 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, five-year, service warranty, was $0.5 million as of February 28, 2026 and November 30, 2025 and $1.8 million as of November 30, 2024, respectively.

Changes in deferred revenue for the three months ended February 28, 2026 and November 30, 2025 are summarized below (in thousands). The Company recognized warranty revenue totaling less than $0.1 million during each of the three months ended February 28, 2026 and 2025.

	February 28, 2026	November 30, 2025
Deferred revenue balance, beginning of period	$ 521	$ 1,808
Net additions to deferred revenue during the period	14,492	69,351
Reductions in deferred revenue for revenue recognized during the period	(14,546)	(70,638)
Deferred revenue balance, end of period	467	521
Less current portion	445	496
Deferred revenue, non-current	$ 22	$ 25

Revenue Disaggregation

The Company presents disaggregated revenue information by reportable sales channel consistent with ASC 280, Segment Reporting, as these channels represent the basis on which the Chief Operating Decision Maker evaluates the Company's performance.

The following table presents disaggregation of the Company's revenue by market and distribution channel (in thousands):

	Three Months Ended February 28,	
Geographical Market	**2026**	**2025**
U.S./Mexico	$ 27,796	$ 24,141
South Africa	—	143
Europe/South America/Asia	529	1,316
Canada	724	590
Total	$ 29,049	$ 26,190

	Three Months Ended February 28,	
Distribution channel	**2026**	**2025**
Wholesale (dealer/distributors)	$ 10,699	$ 6,289
E-commerce (direct to consumers)	18,122	19,898
Royalties	228	3
Total	$ 29,049	$ 26,190

The following table presents disaggregation of the Company's revenue by sales channel (in thousands):

	Three Months Ended February 28,	
Sales channel	**2026**	**2025**
Web (DTC)	$ 17,648	$ 19,394
International (DTC)	474	504
DTC Subtotal	$ 18,122	$ 19,898
Byrna Dedicated Dealers (Wholesale)	9,365	4,422
Law Enforcement / Schools / Pvt Security (Wholesale)	74	25
Retail Stores (Wholesale)	709	301
International (Wholesale)	551	1,541
Wholesale Subtotal	$ 10,699	$ 6,289
Royalties	$ 228	$ 3
Total	$ 29,049	$ 26,190

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):

	Three Months Ended February 28,	
Revenue type	**2026**	**2025**
Product	$ 28,821	$ 26,187
Royalties	228	3
Total	$ 29,049	$ 26,190

11. INVENTORY

The following table summarizes inventory (in thousands):

	February 28, 2026	November 30, 2025
Raw materials	$ 17,992	$ 18,736
Work in process	5,568	4,387
Finished goods	9,539	9,571
Total	$ 33,099	$ 32,694

12. PROPERTY AND EQUIPMENT

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

	February 28, 2026	November 30, 2025
Computer equipment and software	$ 886	$ 886
Furniture and fixtures	820	820
Leasehold improvements	1,951	1,931
Machinery and equipment	8,551	8,307
	12,208	11,944
Less: accumulated depreciation and amortization	4,789	4,218
Total	$ 7,419	$ 7,726

The Company recognized $0.6 million and $0.4 million in depreciation expense during the three months ended February 28, 2026 and 2025, 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 February 28, 2026 and November 30, 2025, the Company had deposits of $1.9 million and $1.5 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):

		Balance at February 28, 2026			Balance at November 30, 2025		
	Estimated Useful Lives in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents	10-17	$ 3,955	$ (1,298)	$ 2,657	$ 3,955	$ (1,234)	$ 2,721
Trademarks	Indefinite	360	—	360	360	—	360
Customer List	2	70	(70)	—	70	(70)	—
Federal Firearms License	3	6	(2)	4	6	(1)	5
Total		**$ 4,391**	**$ (1,370)**	**$ 3,021**	**$ 4,391**	**$ (1,305)**	**$ 3,086**

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 three months ended February 28, 2026 and 2025 were $0.1 million and $0.1 million, respectively.

Estimated future amortization expense related to intangible assets as of February 28, 2026 are as follows (in thousands):

Fiscal Year Ending November 30,	
2026 (remaining nine months)	$ 194
2027	259
2028	259
2029	259
2030	259
Thereafter	1,431
Total	**$ 2,661**

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	February 28, 2026	November 30, 2025
Trade payables	$ 8,467	$ 10,082
Accrued sales, use and income tax	233	648
Accrued personnel costs	1,410	4,696
Accrued professional fees	554	153
Other accrued liabilities	111	285
Total	$ 10,775	$ 15,864

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 three months ended February 28, 2026, the Company repurchased 58,905 shares of common stock for $1.0 million. No shares were repurchased during the three months ended February 28, 2025. As of February 28, 2026, 0.5 million shares of common stock have been repurchased for $5.8 million.

	Number of Shares	Cost of Shares	Average Cost per Share
Shares purchased - December 2025	27,388	$ 453,035	$ 16.5
Shares purchased - January 2026	31,517	499,996	15.9
Total	58,905	$ 953,031	$ 16.2

16. STOCK-BASED COMPENSATION

2020 Plan

In 2020, the Board and 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 2,500,000. In 2022, the Company's Board of Directors and the Company's stockholders approved the increase of the number of shares of common stock available for issuance under the 2020 Plan by 1,300,000shares to a total of 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

Total stock-based compensation expense was $0.5 million and $0.8 million for the three months ended February 28, 2026 and 2025, 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 three months ended February 28, 2026 and 2025 the Company did not grant any RSUs or PSUs. Stock-based compensation expense for RSUs and PSUs for the three months ended February 28, 2026 and 2025 was $0.4 million and $0.4 million, respectively.

As of February 28, 2026, there was $2.3 million of unrecognized stock-based compensation cost related to unvested RSUs which is expected to be recognized over a weighted average of 0.6 years.

The following table summarizes the RSU activity during the three months ended February 28, 2026:

	RSUs
Unvested and outstanding as of November 30, 2025	867,137
Granted	—
Settled	(76,861)
Forfeited	(53,092)
Unvested and outstanding at February 28, 2026	737,184

Of the 76,861 RSUs that were settled during the three months ended February 28, 2026, 12,331 units were withheld by the Company in exchange for the Company paying for the payroll withholding taxes. For the three months ended February 28, 2026, RSUs of 64,530, 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 $0.1 million and $0.4 million during the three months ended February 28, 2026 and 2025, respectively. As of February 28, 2026, there was $0.2 million of unrecognized stock-based compensation cost related to unvested stock options which is expected to be recognized over a weighted average period of 0.9 years.

The following table summarizes option activity under the 2020 Plan during the three months ended February 28, 2026:

	Stock Options	Weighted-Average Exercise Price Per Stock Option
Outstanding, November 30, 2025	1,087,585	$ 8.96
Granted	—	—
Exercised	—	—
Expired	—	—
Forfeited	(3,750)	9.23
Outstanding, February 28, 2026	1,083,835	$ 8.96
Exercisable, February 28, 2026	1,026,085	$ 9.08

17. EARNINGS PER SHARE

For the three months ended February 28, 2026 and 2025, the Company recorded net income and, as such, used diluted weighted-average common shares outstanding when calculating diluted income per share for the three months ended February 28, 2026 and 2025. 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 February 28, 2026	For the Three Months Ended February 28, 2025
Net income	$ 801	$ 1,662
Weighted-average number of shares used in computing net income per share, basic	22,667,850	22,587,099
Net income per share - basic	$ 0.04	$ 0.07
Weighted-average number of shares used in computing net income per share, diluted	23,829,637	24,098,635
Net income per share - diluted	$ 0.03	$ 0.07

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 months ended February 28, 2026 and 2025:

	For the Three Months Ended February 28, 2026	For the Three Months Ended February 28, 2025
Weighted-average common shares outstanding- basic	22,667,850	22,587,099
Assumed conversion of:		
Dilutive stock options	459,655	720,689
Dilutive RSUs	702,132	790,847
Weighted-average common share outstanding- diluted	23,829,637	24,098,635

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 February 28, 2026	For the Three Months Ended February 28, 2025
Options	11,000	—
RSUs	68,016	—
Total	79,016	—

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 former Chief Executive Officer ("CEO") of the Company, beginning July 1, 2020. The sublease is scheduled to terminate on April 30, 2026. Sublease payments received were a nominal amount for the three months ended February 28, 2026 and 2025.

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.

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.

The Company also leases office space in Las Vegas, Nevada, which expires on January 31, 2027.

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.

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.

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.

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.

Commencing in October 2025, the Company assumed two operating leases for retail suites located in Santa Clarita, California. The leases each have a two-year term, commencing on October 3, 2025, and expiring on September 14, 2027. The Company subleases both suites to a third-party dealer. The Company remains the primary obligor under the head leases and invoices the subtenant for an equivalent amount of rent with no markup.

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 three months ended February 28, 2026 and 2025, the elements of lease expense were as follows (in thousands):

	Three Months Ended February 28, 2026	Three Months Ended February 28, 2025
Lease Cost:		
Operating lease cost	$ 206	$ 181
Short-term lease cost	35	19
Variable lease cost	49	-
Total lease cost	$ 290	$ 200
Other Information:		
Cash paid for amounts included in the measurement of operating lease liabilities	$ 176	$ 105
Operating Leases:		
Weighted-average remaining lease term (in years)	3.7	4.6
Weighted-average discount rate	7.7%	8.0%

Future lease payments under non-cancelable operating leases as of February 28, 2026 are as follows (in thousands):

Fiscal Year Ending November 30,	
2026 (nine months)	$ 666
2027	773
2028	386
2029	266
2030	160
Thereafter	226
Total lease payments	2,477
Less: imputed interest	307
Present value of operating lease liabilities	$ 2,170
Operating lease liabilities, current	$ 751
Operating lease liabilities, non-current	$ 1,419

20. INCOME TAXES

For the three months ended February 28, 2026, the Company recorded less than $0.1 million of income tax benefit. For the three months ended February 28, 2025, the Company recorded $0.1 million of income tax expense. For the three months ended February 28, 2026 and 2025, the effective tax rate was (0.4)% and 6.4%, respectively.

The income tax benefit recorded for the three months ended February 28, 2026, despite pre-tax income, was primarily attributable to discrete excess tax benefits recognized in connection with the vesting of share-based compensation awards during the quarter, which more than offset the income tax expense attributable to ordinary income for the period.

The Company's effective tax rate differs from the statutory federal rate of 21.0% primarily due to the effects of state income taxes net of the federal benefit, foreign tax rate differentials related to the Company's South Africa operations, permanent non-deductible expenses, discrete items related to share-based compensation, and other items.

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 has assessed the impact of the OBBBA on its consolidated financial statements and has included the estimated impact of items affecting its forecasted tax rate as part of its income tax expense computed for the quarter ending February 28, 2026.

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.

Restricted Cash

As of February 28, 2026, the Company held $0.4 million of restricted cash that was temporarily unavailable for general corporate purposes. The Company expects the restricted amount to be released to unrestricted cash within the next twelve months.

22. SEGMENT AND GEOGRAPHICAL DISCLOSURES

Beginning in fiscal 2025, the Company manages its operations through two reportable channels: (1) Direct to Consumer ("DTC") – includes sales through the Company's e commerce website, Amazon storefronts, and Company operated retail stores, and (2) Wholesale ("dealer/distributor") – includes sales to distributors, law enforcement agencies, retailers, and international distributors.

The CEO, who is also the CODM, evaluates sales channel performance primarily based on sales channel revenue less cost of sales and gross margin. Operating expenses, including marketing and variable expenses, executive compensation, public company costs, certain IT infrastructure costs, share-based compensation, and items not allocable to a specific segment, are reported as Other Items. No segment specific balance sheet information is regularly reviewed by the CODM; therefore, the Company does not report segment assets or segment liabilities

The tables below (in thousands) summarize, by geographic region, the Company's revenue for the three months ended February 28, 2026 and 2025, respectively, and long-lived assets and total assets as of February 28, 2026 and November 30, 2025, respectively. The Company's long-lived assets consist of intangible assets, property and equipment, right of use assets, and deposits for equipment:

Revenue:

Three Months Ended	**U.S./Mexico**	**South Africa**	**Europe/South America/Asia**	**Canada**	**Total**
February 28, 2026	$ 27,796	$ —	$ 529	$ 724	$ 29,049
February 28, 2025	$ 24,141	$ 143	$ 1,316	$ 590	$ 26,190

Long-lived assets	US	South Africa	Total
February 28, 2026	$ 14,153	$ 18	$ 14,171
November 30, 2025	$ 14,256	$ 93	$ 14,349

Total Assets	US	South Africa	Canada	Total
February 28, 2026	$ 75,947	$ 3,561	$ 392	$ 79,900
November 30, 2025	$ 80,160	$ 3,990	$ 338	$ 84,488

The table below (in thousands) summarize the Company's revenue by reportable sales channel as of February 28, 2026:

	Three Months Ended February 28, 2026		
	DTC	**Wholesale**	**Total**
Revenue	$ 18,122	$ 10,927	$ 29,049
COS	6,329	5,319	11,648
Gross Margin	**$ 11,793**	**$ 5,608**	**$ 17,401**
Gross Margin %	*65.1%*	*51.3%*	*59.9%*
Operating Expenses			$ 16,473

Profit from operations	$	**928**
Operating Margin %		*3.2%*

The table below (in thousands) summarize the Company’s revenue by reportable sales channel as of February 28, 2025:

	Three Months Ended February 28, 2025		
	DTC	**Wholesale**	**Total**
Revenue	$ 19,898	$ 6,292	$ 26,190
COS	6,947	3,319	10,266
Gross Margin	**$ 12,951**	**$ 2,973**	**$ 15,924**
Gross Margin %	*65.1%*	*47.3%*	*60.8%*
Operating Expenses			$ 14,228
Profit from operations			**$ 1,696**
Operating Margin %			*6.5%*

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 cash balances with banks in the United States denominated in U.S. dollars and with banks in South Africa denominated in U.S. dollars and South African rand, and with banks in Canada denominated in Canadian dollars. The South African rand and the Canadian dollar may fluctuate against the U.S. dollar based on changes in economic conditions.

During the three months ended February 28, 2026, 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' assets, liabilities, and certain operating expenses denominated in South African rand. The Company recorded a translation adjustment gain of approximately $0.3 million and a translation adjustment loss of $0.1 million related to the South African rand during the three months ended February 28, 2026 and 2025, respectively. The translation adjustment related to the Company's Canadian subsidiary, which was established in 2025, was immaterial for the period.

The Company's South African subsidiary incurs operating costs 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.

The Company's Canadian subsidiary's revenues, cost of goods sold, operating costs, and capital expenditures are denominated in Canadian dollars. Consequently, fluctuations in the U.S. dollar exchange rate against the Canadian dollar may increase the volatility of reported sales, cost of goods sold, operating costs, and net earnings when translated into U.S. dollars. The Company does not currently use forward contracts, options, or other derivative instruments to manage foreign-currency exchange risk. Management believes that the impact of reasonably possible changes in foreign-currency exchange rates on the Company's loss 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 debt 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, Canada, 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 February 28, 2026, two of the Company's customers accounted for approximately 50% of total accounts receivable. As of November 30, 2025, two of the Company's customers accounted for approximately 47% 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.

24. CREDIT FACILITY

On February 3, 2026, the Company entered into a credit agreement with Texas Capital Bank (the "Credit Agreement"). The Credit Agreement provides for a total committed credit facility of $20.0 million, consisting of (i) a $5.0 million revolving line of credit and (ii) a $15.0 million delayed draw term loan. The Credit Agreement has a five-year term and matures on February 3, 2031. Borrowings under the Credit Agreement bear interest at Term SOFR plus a margin ranging from 2.50% to 2.75%, depending on certain financial ratios. The Credit Agreement is secured by substantially all of the Company's assets.

The revolving line of credit is available for general corporate purposes, including working capital, subject to customary borrowing conditions. The delayed draw term loan is available during a 24-month availability period beginning February 4, 2026, subject to satisfaction of certain conditions precedent at the time of each borrowing, including the absence of an event of default, compliance with applicable financial covenants on a pro forma basis, and restrictions limiting the use of proceeds to permitted acquisitions. Amounts borrowed under the delayed draw term loan may not be reborrowed once repaid.

In connection with the Credit Agreement, the Company incurred debt issuance costs, which were immaterial to the condensed consolidated financial statements. The portion of debt issuance costs expected to be amortized over the next twelve months is included in Prepaid assets and other current assets, with the remaining balance included in Other assets on the condensed consolidated balance sheet.

As of February 28, 2026, the Company had no borrowings outstanding under the Credit Agreement. The Company had $5.0 million available under the revolving line of credit and $15.0 million of committed delayed draw term loan capacity during the availability period, subject to the conditions and restrictions described above.

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, 2025 filed with the U.S. Securities and Exchange Commission (the "SEC") on February 5, 2026, as amended on March 30, 2026 (the "2025 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. 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 Inc. designs, manufactures, retails and distributes less lethal personal security solutions intended for situations that do not require the use of lethal force. Our mission is to empower individuals to protect themselves and others, and our product strategy emphasizes ease of use, effectiveness, and reliability in both consumer and professional safety environments. We also develop tools intended to serve as alternatives to traditional firearms for law enforcement and private security customers with the goal of reducing firearm related incidents and supporting de-escalation practices. Our strategy includes positioning Byrna® as a consumer lifestyle brand associated with personal confidence and safety, while expanding our product portfolio to broaden market reach and drive sales growth from both 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, less-lethal way to protect themselves and their loved ones from threats to their person or property.

We believe demand for less lethal products in the United States and internationally continues to rise and that this category will remain a growing segment of the broader security market. We plan to meet this demand by manufacturing and distributing our Byrna® SD, Byrna LE and most recently our Byrna CL launchers, along with continued expansion of our accessory and ammunition offerings.

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.

Beginning in fiscal year 2025, we also reorganized our operations into two reportable sales channels, Direct-to-Consumer ("DTC") and Wholesale (dealer/distributor), to align with our expanded omnichannel strategy, the opening of Company-operated retail stores, and increased penetration into national retail chains and international distributors.

The Company operates primarily in the United States and Canada through wholly owned subsidiaries.

RESULTS OF OPERATIONS

Three months ended February 28, 2026 as compared to three months ended February 28, 2025:

Net Revenue

The Company presents revenue net of returns, allowances, and discounts. Net revenues were $29.0 million in the first fiscal quarter of 2026 which represents an increase of $2.8 million, or 10.7%, as compared to the prior year period revenues of $26.2 million. The increase was primarily driven by higher wholesale dealer and distributor sales, which increased by $4.4 million. Direct to customer sales, via Amazon and our website, decreased by $1.8 million, or 8.9%, from $19.9 million in the first fiscal quarter of 2025 to $18.1 million in the same fiscal quarter of 2026. Sales to domestic dealers and retailers improved in the three months ended February 28, 2026, increasing by 114.9% to $10.1 million from $4.7 million in the three months ended February 28, 2025. Sales to international markets, including Canada, decreased from $2.0 million in the three months ended February 28, 2025 to $1.3 million in the three months ended February 28, 2026, which includes $0.2 million in royalty revenue related to the LATAM Licensing Agreement during the first fiscal quarter of 2026.

Segment Results

Direct-to-Consumer (DTC)

DTC revenue decreased to $18.1 million in the first fiscal quarter of 2026 compared to $19.9 million in the prior year period, primarily driven by a decline in direct-to-customer sales through the Company's online channels, including Amazon and the Company's website.

Wholesale (Dealer/Distributor)

Wholesale revenue increased to $10.7 million in the first fiscal quarter of 2026 compared to $6.3 million in the prior year period, reflecting (i) expanded relationships with national and regional retailers, (ii) enhanced engagement with distributors, and (iii) increased law-enforcement interest.

Cost of Goods Sold

Cost of goods sold was $11.6 million in the first fiscal quarter of 2026 compared to $10.3 million in the prior year period. This increase of $1.3 million, or 12.6%, is primarily due to the increase in sales volumes. Cost of goods sold attributable to Direct-to-Consumer ("DTC") was $6.3 million in the first fiscal quarter of 2026, compared to $7.0 million in the prior year period. Cost of goods sold attributable to Wholesale was $5.3 million in the first fiscal quarter of 2026, compared to $3.3 million in the prior year period.

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. Cost of goods sold includes costs associated with the production and procurement of products, including labor and overhead, inbound freight, manufacturing depreciation, purchasing and receiving costs, and inspection costs. Gross profit was $17.4 million during the first fiscal quarter of 2026, or 59.9% of net revenue, compared to gross profit of approximately $15.9 million, or 60.8% of net revenue, in the prior-year period. The decrease in gross margin was primarily driven by a shift in sales mix toward Wholesale and Retail channels, which generally carry lower average selling prices than Direct-to-Consumer ("DTC") sales, as well as higher manufacturing costs recognized in cost of goods sold during the period related to production variances.

Operating Expenses

Operating expenses were $16.5 million in the first fiscal quarter of 2026, an increase of $2.3 million, as compared to the prior year period expenses of $14.2 million. The increase is due to an increase of $1.3 million in marketing expenses, as the company incurred additional marketing costs to support business growth, an increase of $0.2 million in variable expenses, which increased in proportion to sales volume, an increase of $0.7 million in professional fees, largely attributable to higher accounting, audit, legal, and recruitment-related costs, a $0.3 million increase in employee compensation costs, and an increase in credit losses of $0.4 million related to a higher allowance for certain customer receivables recorded during the quarter.

Other Income (Expense)

We recorded $0.2 million and $0.1 million of foreign currency transaction loss during the three months ended February 28, 2026 and 2025, respectively. We recorded $0.1 million of interest income during the three months ended February 28, 2026 compared to $0.2 million in the three months ended February 28, 2025.

Income Tax Provision

For the three months ended February 28, 2026 and February 28, 2025, we recorded less than $0.1 million of income tax benefit and $0.1 million of income tax expense, respectively. For the three months ended February 28, 2026 and February 28, 2025, the effective tax rate was (0.4)% and 6.4%, respectively. The effective tax rate for the three months ended February 28, 2026 reflects discrete excess tax benefits related to the vesting of stock-based compensation awards, which more than offset tax expense on pre-tax income. 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, permanent non-deductible expenses, and discrete items related to stock-based compensation.

Net Income

Net income was $0.8 million for the three months ended February 28, 2026, a decrease of $0.9 million compared to $1.7 million for the three months ended February 28, 2025.

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):

	For the Three Months Ended February 28,	
	2026	**2025**
Net income	$ 801	$ 1,662
Adjustments:		
Interest income	(88)	(186)
Income tax (benefit) expense	(4)	140
Depreciation and amortization	635	440
Non-GAAP EBITDA	1,344	2,056
Stock-based compensation expense	535	840
Severance/Officer recruiting	332	130
Non-GAAP adjusted EBITDA	$ 2,211	$ 3,026

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Summary

Cash and cash equivalents as of February 28, 2026 totaled $7.5 million, a decrease of $6.2 million from $13.7 million of cash and cash equivalents as of November 30, 2025.

Operating Activities

Cash used in operating activities was $4.4 million for the three months ended February 28, 2026 compared to cash used in operations of $3.8 million during the prior year period. Net income was $0.8 million compared to $1.7 million for the three months ended February 28, 2026 and February 28, 2025, respectively. Significant changes in noncash and working capital activity are as follows:

Non-cash activity includes stock-based compensation expense of $0.5 million for the three months ended February 28, 2026, compared to $0.8 million for the three months ended February 28, 2025; and depreciation and amortization expense of $0.6 million for the three months ended February 28, 2026, compared to $0.4 million for the three months ended February 28, 2025; In addition to the non-cash activities mentioned above, the Company recognized a deferred tax asset of less than $0.1 million for the three months ended February 28, 2026, compared to $0.4 million for the three months ended February 28, 2025.

Inventory increased during the three months ended February 28, 2026 by $0.3 million compared to an increase of $3.2 million for the three months ended February 28, 2025. Accounts receivable increased by $0.9 million during the three months ended February 28, 2026 as compared to an increase of $0.3 million for the three months ended February 28, 2025. Accounts payable and accrued liabilities decreased during the three months ended February 28, 2026 by $5.1 million compared to a decrease of $1.9 million for the three months ended February 28, 2025. Prepaid expenses and other current assets increased by $0.4 million during the three months ended February 28, 2026 compared to an increase of $0.5 million during the three months ended February 28, 2025. Operating lease liabilities decreased by $0.2 million during the three months ended February 28, 2026 compared to a decrease of $0.1 million during the three months ended February 28, 2025. Deferred revenues decreased $0.1 million during the three months ended February 28, 2026 compared to a decrease of $1.3 million for the three months ended February 28, 2025.

Investing Activities

Cash flows used in investing activities was $0.6 million for the three months ended February 28, 2026 compared to $5.3 million cash used for the three months ended February 28, 2025. The prior year period investing activities primarily relates to the purchases of property and equipment and marketable securities while the current period relates to purchases of property and equipment. Property and equipment increased during the three months ended February 28, 2026 by $0.6 million compared to purchases of $2.6 million for the three months ended February 28, 2025. During the three months ended February 28, 2025, the Company purchased $2.7 million of marketable debt securities. There were no purchases of marketable debt securities during the three months ended February 28, 2026.

Financing Activities

Cash flows used in financing activities was $1.0 million for the three months ended February 28, 2026, compared to cash provided by financing activities of $0.1 million for the three months ended February 28, 2025. The current year amount was primarily composed of taxes paid on issuances of restricted stock units of less than $0.1 million and payments of $1.0 million for repurchases of common stock. The prior year amount was primarily composed of proceeds from stock option exercises and taxes paid on issuances of restricted stock units.

We require significant capital to meet our obligations as they become due. Throughout the next twelve months, we expect to fund our operations primarily from cash generated from operations. The Company also has access to an existing credit facility, as discussed in Note 24, Credit Facility, which may be used, but is not currently anticipated to be drawn, to provide additional liquidity if needed. We may pursue additional 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 additional 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 2025 10-K. During the three months ended February 28, 2026, there were no significant changes to our critical accounting policies from those described in our 2025 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 February 28, 2026 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 February 28, 2026, our disclosure controls and procedures were effective.

Changes in Internal Controls Over Financial Reporting

There were no changes that occurred during the first quarter of 2026 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, 2025, filed with the SEC on February 5, 2026, as amended on March 30, 2026. There have been no material changes to the risk factors disclosed in our 2025 Form 10-K.

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 February 28, 2026, 58,905 shares of common stock were repurchased for $1.0 million. 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 February 28, 2026, 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.

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
4.1	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).
10.2	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).
10.3	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).
31.1*	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
31.2*	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
32.1**	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
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: April 9, 2026		/s/ Conn Davis
	Name:	Conn Davis
	Title:	Chief Executive Officer (Principal Executive Officer)
Date: April 9, 2026		/s/ Laurilee Kearnes
	Name:	Laurilee Kearnes
	Title:	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

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 first 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: April 9, 2026

By: /s/ Conn Davis
Conn Davis
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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 first 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: April 9, 2026

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

Exhibit 32.1

**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 February 28, 2026, 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: April 9, 2026

By: /s/ Conn Davis
Conn Davis
Chief Executive Officer
(Principal Executive Officer)

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