



Surna Reports Second Highest Revenue in its History and Return to Profitability in Preliminary Second Quarter Results

Revenue increased 168% in the Second Quarter Year Over Year and 91% over First Quarter, Adjusted Net Income up 174%

Boulder, Colorado, July 28, 2021 — Surna Inc. (OTCQB: SRNA), operating as Surna Cultivation Technologies, a leader in controlled environment agriculture (CEA) systems engineering and technologies, announced today its preliminary second quarter 2021 revenue and net income results.

- Q2 2021 revenue was approximately \$4.5 million, the second best in Company history and an increase of 168% over the same period last year. On a sequential quarterly basis in 2021, revenue increased by 91% over Q1 2021.
- Adjusted Net Income¹ was approximately \$353,000 for Q2 2021, which represents a 174% increase over the same period last year.

“We are excited to report the second highest revenue in our company’s history and a return to profitability for Q2 2021 despite the challenges of operating in the pandemic environment over the past year,” stated Tony McDonald, Surna’s Chairman and CEO. “In August, Surna will celebrate its 15th year in business and we are pleased to see continued growth of the company and to be able to report these impressive financial results after reporting record Q1 bookings in April. We have seen increased sales traction this year and we are well positioned to extend our leadership position as we continue to expand our product and service offerings.”

Q2 2021’s performance was driven by the Company’s ability to deliver on a substantial backlog and by its continued success in launching new products and services as detailed in the updated strategy revealed in May.

^[1] Adjusted net income (loss), a Non-GAAP metric, is defined as GAAP net income (loss), after adjustment for non-cash equity compensation expense, other non-cash equity expense, and depreciation expense. The Company considers this a key financial metric as we focus on achieving breakeven or better operating cash flow. For the three months ended June 30, 2021, adjusted net income is calculated as follows:

Calculation of Adjusted Net Income at June 30, 2021:		
<i>(in thousands of US Dollars)</i>		
GAAP Net Income:		\$265
Non-Cash Add Backs:		
Stock Based Compensation	71	
Depreciation & Amortization	17	
Total Non-Cash Add-Backs:	88	
Adjusted Net Income:		\$353

About Surna Inc.

Surna Inc. (www.surna.com) designs, engineers and sells cultivation technologies for controlled environment agriculture including: (i) liquid-based process cooling systems and other climate control systems, (ii) air handling equipment and systems, (iii) a full-service engineering package for designing and engineering commercial scale thermodynamic systems, and (iv) automation and control devices, systems and technologies used for environmental, lighting and climate control. Our customers include commercial growers in the U.S. and Canada as well as other international locations, including those growers building new facilities and those expanding or retrofitting existing facilities. Currently, our revenue stream is derived primarily from supplying our products, services, and technologies to commercial indoor and hybrid sealed greenhouse facilities ranging from several thousand to more than 100,000 square feet.

Headquartered in Boulder, Colorado, we leverage our experience in this space to bring value-added climate control solutions to our customers that help improve their overall crop quality and yield, optimize energy and water efficiency, and satisfy the evolving state and local codes, permitting and regulatory requirements.

Forward Looking Statements

This press release may contain statements of a forward-looking nature relating to future events. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. These statements reflect our current beliefs, and a number of important factors could cause actual results to differ materially from those expressed in this press release, including the factors set forth in “Risk Factors” set forth in our annual and quarterly reports filed with the Securities and Exchange Commission (“SEC”), and subsequent filings with the SEC. Please refer to our SEC filings for a more detailed discussion of the risks and uncertainties associated with our business, including but not limited to the risks and uncertainties associated with our business prospects and the prospects of our existing and prospective customers; the inherent uncertainty of product development; regulatory, legislative and judicial developments, especially those related to changes in, and the enforcement of, cannabis laws; increasing competitive pressures in our industry; and relationships with our customers and suppliers. Except as required by the federal securities laws, we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. The reference to Surna’s website has been provided as a convenience, and the information contained on such website is not incorporated by reference into this press release.

Surna Marketing
Jamie English
Vice President, Marketing Communications
jamie.english@surna.com
(303) 993-5271