



February 27, 2017

Dear Mace Shareholder:

It has been a while since I wrote you regarding the condition of and the prospects for Mace. At that time I related to you that I believed we had turned the business around and were headed in the direction of operational profitability. In 2016, we essentially reached that goal with revenue up 25% year over year and virtually no increase in related costs, resulting in a near breakeven from operations. Like most turn around stories it took longer than we were expecting.

We actually reported a profit of \$250,000 in 2016, with the majority of that profit resulting from the sale of our electronic surveillance equipment division which is a fancy way of saying “cameras.” With the flood of inexpensive foreign cameras on the market and the resulting pressure on sales and margins, there was no future for us in this business. Due to our persistent and timely effort, we were able to recognize a profit on the sale.

As shareholders you own the overwhelming leader and most iconic brand in the pepper spray market. We believe our brand has important recognizable aspects which could translate to both related and unrelated products in the personal security market.

In this regard, we recently announced our intent to acquire Washington Labs, a manufacturer of pepper spray in nearby Canton, Ohio. Should this acquisition close as we expect, it should result in an additional annual sales increase of approximately 25% and an expected significant increase to our bottom line. The operation will be moved to our Cleveland, Ohio plant which should result in additional cost savings. In addition to the new clients we will bring on board, Washington Labs owns licenses we don’t such as the ability to manufacture bear spray which heretofore we have had to purchase from others.

In recognition of these recent achievements, we recently announced that the trading of Mace shares has moved to the OTCQX, the highest level before entering the exchange listed marketplace. The financial requirements on the OTCQX are stringent so that investors should have an additional degree of confidence that our reporting process meets the highest standards in the industry.

So where do we go from here? One thing we are surely interested in doing is making additional accretive acquisitions. Boosting sales and earnings in businesses we know and understand could only benefit our shareholders. We are fortunate in having some excellent legal, financial and marketing minds on the Mace Board to help steer the Company into the future. Our Board is dedicated to increasing shareholder value in whatever direction that may take us.

As we enter 2017, it appears our path will be forward on all fronts. With the support of our shareholders and the skills inherent in our management and our Board, Mace is now positioned for even greater achievements.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Barone", with a long horizontal flourish extending to the right.

Richard A. Barone
Chairman of the Board