**October 29th, 2020**

[**Mace Security International Reports Record 3Q 2020 Financial Results**](http://corp.mace.com/2018/03/mace-reports-fourth-quarter-and-full-year-2017-financial-results/)

* **3Q 2020 net sales totaled $4,757,000, up $2,310,000 or 94% versus prior year, primarily driven by organic growth, addition of new customers and new product line extensions fueled by an increasing demand for personal safety products**
* **Net income for the quarter was $682,000 or 14% of net sales, an increase of $843,000, compared to a net loss of ($161,000) in the same period of 2019**
* **EBITDA for the quarter was $824,000 or 17% of net sales, an increase of $860,000 versus ($36,000) EBIDTA in the third quarter of 2019**
* **YTD EBITDA is $1,661,000 or 15% of net sales versus ($1,252,000) in 2019 for the same time frame.**

CLEVELAND, Ohio, October 29th, 2020 – Mace Security International (OTCQX: MACE) today announces third quarter 2020 financial results for the quarter ended September 30, 2020.

The Company’s net sales for the third quarter were $4,757,000, up 94% versus prior year. The increase reflects organic growth across our retail and e-commerce channels, addition of new customers across core channel segments as well as product line extensions at existing retailers. Net sales across the consumer and e-commerce channels were up $2,353,000 offset by international sales which were lower due to part shortages.

The Company reported a gross margin rate for the quarter of 41% vs 38.4% at the same time last year. SG&A expenses were $1,183,000 or 25% of net sales, compared with $1,106,000 or 41% in 3Q 2019 caused by higher variable sales commissions and performance-driven incentives. Working capital turns were 4.8 on an annualized basis.

President and CEO Gary Medved commented: “Our business continued to be very strong this quarter as consumers demanded more non-lethal products. The Company’s focus on the Mace® Brand, product lineup, and digital awareness lines up well with the accelerated shift to consumer personal safety products. Our new product look and lineup continues to be a big hit with our retail partners. Also, during the third quarter, digital sales experienced its second straight quarter of triple digit percentage increase.”

“Going forward, Mace is excited about its prospects with new retail partners, new product introductions, and continued strength in the digital marketplace. We’ve placed a heavy focus on operational excellence for Q4 to provide further efficiency improvements, shorter lead-times for our customers, and a platform for scaling the business.”

Sanjay Singh, Executive Chairman, commented: “The team delivered outstanding results yet again amidst challenges associated with a significant increase in plant work force, spike in working capital and part shortages caused by some of our suppliers who were dealing with a significant uptick in demand. We pivoted well to handle the surge in demand while continuing to lay the foundation for future growth opportunities.”

“ The focus in the coming quarters will be on operational improvements as well as implementing significant actions related to our digital to consumer strategy across all platforms. Product introductions and extensions will continue to anchor our growth as well as acquisition of new retailers. Gary and his team did an impressive job this quarter.”

Mace also announced the resignation of board member Chuck Gehrisch. He will be replaced by digital commerce and product management veteran, Jennifer Kretchmar. Kretchmar has served a diverse range of retailers in executive positions, including Build-A-Bear Workshop, Stride Rite Children’s Group of Wolverine World Wide, Inc., The Timberland Company and Goldbug. Her focus on digital strategy and merchandising make her an ideal fit for supporting Mace’s focus on ecommerce growth. Jenn is the Chief Digital and Merchandising Officer at Build-A-Bear Workshop where she has led an impressive growth in e-commerce sales.

Sanjay Singh, Executive Chairman, commented: “We are very excited to have Jenn Kretchmar join our Board as we sharpen our digital to consumer strategy. I met Jenn over a year ago and was very impressed with her knowledge and wisdom around all things digital and product management. She is a natural fit for our Board. We would like to thank Chuck Gehrisch for his time and effort on the board these last couple of years.”

**Third Quarter 2020 Financial Highlights**

* Net sales increased $2,310,000 or 94% versus prior year, primarily driven by organic growth, addition of new customers both in retail and e-commerce segments and new product line extensions at retailers
* Gross profit for the third quarter increased by $1,016,000 or 108% over the same period in the prior year, driven primarily by increased sales volume, labor efficiencies, and higher margin digital sales.
* SG&A expenses increased by $177,000 to $1,183,000 for the quarter, or 25% of net sales, driven primarily by higher variable sales commissions and performance-related incentives
* Net income increased by $843,000
* Cash and cash equivalents increased to $549,000 as of September 30, 2020, an increase of $242,000 over the $307,000 on hand on December 31, 2019. Working capital increased by $1,860,000 compared to December 31, 2019. The company paid off its loan in the amount of $600,000 on September 30, 2020.
* Adjusted EBITDA for the quarter was $889,000 (1.4 cents per share on an undiluted basis for the quarter)

**Third Quarter 2020 Operational Highlights**

* The Company maintained full manufacturing and distribution activities throughout the quarter, and to date has experienced some supply chain disruptions due to the COVID-19 emergency. Labor efficiencies have improved over the same period last year.

**YTD 2020 Operational Highlights**

* Net Sales increased by $2,854,000 or 35% versus the same period last year driven by organic growth, product line extensions in the second quarter and sales to new customers
* Gross Profits increased by $1,530,000 or 53% when compared to the same period last year mostly due to increases in labor efficiencies and the impact of one-time costs that occurred last year
* SG&A decreased by $1,339,000 or 32% mostly from one-time costs that occurred last year and from cost controls and lower wages net of performance-related incentive accruals this year
* Net Income was $1,255,000 or 11% of net sales versus a loss of $1,623,000 last year

**Conference Call**

Mace**®** will conduct a conference call on Monday, November 2nd, 2020 at 11 AM EDT, 8 AM PDT to discuss its financial and operational performance for the quarter.

Participant Toll-Free Dial-In Number: (833) 360-0862; Conference ID5287863

A full set of the consolidated financial statements and accompanying slide presentation are available on www.mace.com. A digital recording of the conference call will be available for replay two hours after the call's completion. The date ranges the recording will be available are listed below. To access the recording, use the dial-in number listed below and the conference ID 5287863  
  
Encore dial-in number: **855-859-2056** (or internationally on **404-537-3406**)   
Encore dates: Will be available 2 hours after the call and will expire midnight on January 2, 2021.

**About Mace Security International, Inc.**

Mace Security International Inc. is a globally recognized leader in personal safety products. Based in Cleveland, Ohio, the Company has spent more than 30 years designing and manufacturing consumer and tactical products for personal defense and security under its world-renowned Mace® Brand – the original trusted brand of pepper spray products. The Company’s other leading brands include Tornado® Brand stun guns and pepper spray, and Vigilant® Brand personal alarms. The Company also offers aerosol defense sprays for law enforcement and security professionals worldwide through its Take Down® Brand.

Mace Security International distributes and supports its products and services through mass-market retailers, wholesale distributors, independent dealers, e-commerce channels and through its website, www.Mace.com. For more information, please visit [www.mace.com](http://www.mace.com/).

**Forward-Looking Statements**

Certain statements and information included in this press release constitute “forward-looking statements” within the meaning of the Federal Private Securities Litigation Reform Act of 1995. When used in this press release, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “projected,” “intend to” or similar expressions are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks, known and unknown, and uncertainties, including but not limited to economic conditions, dependence on management, our ability to compete with competitors, dilution to shareholders, and limited capital resources.

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| Mace Security International, Inc. and Subsidiaries | | | |
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| **CONSOLIDATED STATEMENTS OF OPERATIONS** | | | |
| (Unaudited) | | | |
| (Amounts in thousands) | | | |
|  |  |  |  |
|  | **Three Months Ended September 30,** | | |
|  | **2020** |  | **2019** |
|  |  |  |  |
| Net sales | **$ 4,757** |  | $ 2,447 |
| Cost of goods sold | **2,802** |  | 1,508 |
|  |  |  |  |
| Gross profit | **1,955** |  | 939 |
|  |  |  |  |
| Selling, general, and administrative expenses | **1,183** |  | 1,006 |
| Amortization of intangible assets | **96** |  | 71 |
| Loss on disposal of property and equipment | **-** |  | 8 |
|  |  |  |  |
| Operating income (loss) | **676** |  | **(146)** |
|  |  |  |  |
| Interest expense | **(9)** |  | (14) |
| Other expense, net | **15** |  | (1) |
|  |  |  |  |
| Income (loss) before income tax provision | **682** |  | (161) |
|  |  |  |  |
| Income tax provision | **-** |  | - |
|  |  |  |  |
| Net income (loss) | **$ 682** |  | $ (161) |
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| Mace Security International, Inc. and Subsidiaries | | | | | | | | | |
|  | | |  | | |  | |  | |
| **CONSOLIDATED STATEMENTS OF OPERATIONS** | | | | | | | | | |
| (Unaudited) | | | | | | | | | |
| (Amounts in thousands) | | | | | | | | | |
|  | | |  | | |  | |  | |
|  | | | **Nine Months Ended September 30,** | | | | | | |
|  | | | **2020** | | |  | | **2019** | |
|  | | |  | | |  | |  | |
| Net sales | | | **$ 10,980** | | |  | | $ 8,126 | |
| Cost of goods sold | | | **6,544** | | |  | | 5,220 | |
|  | | |  | | |  | |  | |
| Gross profit | | | **4,436** | | |  | | 2,906 | |
|  | | |  | | |  | |  | |
| Selling, general, and administrative expenses | | | **2,904** | | |  | | 4,243 | |
| Amortization of intangible assets | | | **261** | | |  | | 205 | |
| Loss on disposal of property and equipment | | | **-** | | |  | | 37 | |
|  | | |  | | |  | |  | |
| Operating income (loss) | | | **1,271** | | |  | | **(1,579)** | |
|  | | |  | | |  | |  | |
| Interest expense | | | **(31)** | | |  | | (46) | |
| Interest income | | | **-** | | |  | | 4 | |
| Loss on short-term investments | | | **-** | | |  | | (1) | |
| Other income (expense), net | | | **15** | | |  | | (1) | |
|  | | |  | | |  | |  | |
| Income (loss) before income tax provision | | | **1,255** | | |  | | (1,623) | |
|  | | |  | | |  | |  | |
| Income tax provision | | | **-** | | |  | | - | |
|  | | |  | | |  | |  | |
| Net income (loss) | | | $ 1,255 | | |  | | $ (1,623) | |
|  | | |  | | |  | |  | |
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| Mace Security International, Inc. and Subsidiaries | | | | | | | | | | |
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| **CONSOLIDATED BALANCE SHEETS** | | | | | | | | | | |
|  | | | | | | | | | | |
| (Amounts in thousands, except share and per share information) | | | | | | | | | | |
|  |  | | |  |  | | | | | |
|  |  | | |  |  | | | | | |
| **ASSETS** | **September 30, 2020** | | |  | **December 31, 2019** | | | | | |
|  | **(Unaudited)** | | |  |  | | | | | |
| Current assets: |  | | |  |  | | | | | |
| Cash | **$ 549** | | |  | $ 307 | | | | | |
| Accounts receivable, less allowance for doubtful accounts of $538 and |  | | |  |  | | | | | |
| $536 at September 30, 2020 and December 31, 2019, respectively | **3,142** | | |  | 1,544 | | | | | |
| Inventories | **2,663** | | |  | 1,591 | | | | | |
| Note receivable, net of allowance, and other current assets | **573** | | |  | 446 | | | | | |
|  |  | | |  |  | | | | | |
| Total current assets | **6,927** | | |  | 3,888 | | | | | |
|  |  | | |  |  | | | | | |
| Property and equipment: |  | | |  |  | | | | | |
| Buildings and leasehold improvements | **255** | | |  | 245 | | | | | |
| Machinery and equipment | **2,025** | | |  | 2,003 | | | | | |
| Furniture and fixtures | **110** | | |  | 110 | | | | | |
|  |  | | |  |  | | | | | |
| Total property and equipment | **2,390** | | |  | 2,358 | | | | | |
|  |  | | |  |  | | | | | |
| Accumulated depreciation and amortization | **(1,910)** | | |  | (1,796) | | | | | |
|  |  | | |  |  | | | | | |
| Total property and equipment, net | **480** | | |  | 562 | | | | | |
|  |  | | |  |  | | | | | |
| Operating lease - right-of-use asset, net of amortization | **596** | | |  | 752 | | | | | |
| Finance lease - right-of-use asset, net of amortization | **29** | | |  | 11 | | | | | |
| Goodwill | **1,031** | | |  | 1,031 | | | | | |
| Intangible assets, net | **2,482** | | |  | 2,744 | | | | | |
| Note receivable, net of allowance, and other non-current assets | **14** | | |  | 14 | | | | | |
|  |  | | |  |  | | | | | |
| Total other assets | **4,152** | | |  | 4,552 | | | | | |
|  |  | | |  |  | | | | | |
|  |  | | |  |  | | | | | |
| Total assets | **$ 11,559** | | |  | $ 9,002 | | | | | |
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| |  |  |  |  | | --- | --- | --- | --- | | **LIABILITIES AND STOCKHOLDERS’ EQUITY** | **September 30, 2020** |  | **December 31, 2019** | |  | **(Unaudited)** |  |  | | Current liabilities: |  |  |  | | Current portion of long-term debt | **$ 223** |  | $ 215 | | Payroll Protection Program Loan - current portion | **379** |  | - | | Bank line of credit | **-** |  | 600 | | Current operating lease obligation | **272** |  | 209 | | Current finance lease obligation | **6** |  | 3 | | Accounts payable | **1,468** |  | 364 | | Income taxes payable | **54** |  | 56 | | Accrued expenses and other current liabilities | **636** |  | 412 | |  |  |  |  | | Total current liabilities | **3,038** |  | 1,859 | |  |  |  |  | | Long-term debt, net of current portion | **116** |  | 284 | | Payroll Protection Program Loan, net of current portion | **243** |  | - | | Non-current operating lease obligations | **400** |  | 565 | | Non-current finance lease obligations | **23** |  | 8 | |  |  |  |  | | Total liabilities | **3,820** |  | **2,716** | |  |  |  |  | | Stockholders’ equity: |  |  |  | | Preferred stock, $.01 par value; authorized 10,000,000 shares, no shares |  |  |  | | issued and outstanding at September 30, 2020 and December 31, 2019 | **-** |  | - | | Common stock, $.01 par value; authorized 100,000,000 shares, |  |  |  | | issued and outstanding shares of 64,102,559 and 63,319,834, at September 30, | |  |  | | 2020 and December 31, 2019, respectively | **641** |  | 633 | | Additional paid-in capital | **103,442** |  | 103,252 | | Accumulated deficit | **(96,322)** |  | (97,577) | |  | **7,761** |  | 6,308 | | Less treasury stock at cost, 90,548 shares at both September 30, 2020 |  |  |  | | and December 31, 2019 | **(22)** |  | (22) | |  |  |  |  | | Total stockholders’ equity | **7,739** |  | 6,286 | |  |  |  |  | | Total liabilities and stockholders’ equity | **$ 11,559** |  | $ 9,002 | |  |  |  |  | |  |  |  |

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| Mace Security International, Inc. and Subsidiaries | | | |
|  |  |  |  |
| **RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA** | | | |
| (Unaudited) | | | |
| (Amounts in thousands) | | | |
|  |  |  |  |
|  | **Three Months Ended September 30,** | | |
|  | **2020** |  | **2019** |
|  |  |  |  |
| Net income (loss) | **$ 682** |  | $ (161) |
|  |  |  |  |
| Adjustments: |  |  |  |
| Interest expense | **9** |  | 14 |
| Interest income | **-** |  | - |
| Income tax expense | **-** |  | - |
| Depreciation and amortization | **133** |  | 111 |
|  |  |  |  |
|  |  |  |  |
| EBITDA | **824** |  | **(36)** |
|  |  |  |  |
|  |  |  |  |
| Severance | **-** |  | - |
| Non-cash stock compensation expense | **65** |  | 9 |
|  |  |  |  |
|  |  |  |  |
| Adjusted EBITDA | $ 889 |  | $ (27) |
|  |  |  |  |

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| --- | --- | --- | --- |
| Mace Security International, Inc. and Subsidiaries | | | |
|  |  |  |  |
| **RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA** | | | |
| (Unaudited) | | | |
| (Amounts in thousands) | | | |
|  |  |  |  |
|  | **Nine Months Ended September 30,** | | |
|  | **2020** |  | **2019** |
|  |  |  |  |
| Net income (loss) | **$ 1,255** |  | $(1,623) |
|  |  |  |  |
| Adjustments: |  |  |  |
| Interest expense | **31** |  | 46 |
| Interest income | **-** |  | (4) |
| Income tax expense | **-** |  | - |
| Depreciation and amortization | **375** |  | 329 |
|  |  |  |  |
|  |  |  |  |
| EBITDA | **1,661** |  | **(1,252)** |
|  |  |  |  |
|  |  |  |  |
| Severance | **-** |  | - |
| Non-cash stock compensation expense | **142** |  | 251 |
|  |  |  |  |
|  |  |  |  |
| Adjusted EBITDA | $ 1,803 |  | $(1,001) |
|  |  |  |  |
|  |  |  |  |

In this press release, the Company’s financial results and financial guidance are provided in accordance with accounting principles generally accepted in the United States (GAAP) and using certain non-GAAP financial measures. Management believes that presentation of operating results using non-GAAP financial measures provides useful supplemental information to investors and facilitates the analysis of the Company’s core operating results and comparison of operating results across reporting periods. Management also uses non-GAAP financial measures to establish budgets and to manage the Company’s business. A reconciliation of the GAAP financial results to non-GAAP financial results is included in the attached schedules.

**Contacts:**

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President and Chief Executive Officer

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