



Dear Shareholder:

When I first joined the Board of Directors of Mace Security International, Inc., the company was headed for disaster. At the time, overhead was too high, a series of misguided acquisitions were eating into the company reserves and instead of talking about organic growth, and the Board was dealing with declining sales. I was asked to create an agenda to save the company and set it on a path toward creating shareholder value.

The first step was to restructure the balance sheet and to secure additional funding while, at the same time, preserving the net operating loss (NOL) for future years. To that end, I designed a rights offering which raised \$8.5 million; this helped protect participating shareholders from dilution and placed most of the additional unsubscribed shares with investors I represented.

In 2011, I was given the opportunity to lead the recovery effort as your Chairman. With the help of a restructured Board of Directors and after an intense search effort to find a new CEO, John McCann was selected to head up the company.

Although I had participated in the acquisition of two related businesses before becoming Chairman, it became obvious that the management team was too thin and our finances still too uncertain to take those acquisitions to the next level. I asked John to find a buyer and with great skill and effort on his part, we sold those businesses for a \$3.5 million profit.

The hangover from the previous management team and their ill-advised acquisitions, however, proved harder to rectify than anticipated. Finally, by late 2016, John's efforts resulted in the sale of all the remaining problem business and it appeared that the company could finally become profitable on an operating basis alone. During 2017, the Board of Directors spent a great deal of time in the making of two small acquisitions, both of which have already proven to be accretive to earnings and importantly have provided unquestionable strength to Mace's management team.

I believe the final piece of the puzzle can now be put in place. All along, the Board has recognized that we have not experienced the organic growth essential to move Mace into the leadership position in personal security, which we all believe is our destiny.

Several months ago, two very successful businessmen approached members of the Board with a proposal to make a significant investment in Mace combined with actions designed to advance Mace to the desired leadership status. To confirm that their plan was doable, they conducted an intensive due diligence process and concluded that they wished to move full speed ahead.



Likewise, both management and members of the Board have spent a great deal of time with them, studied their findings in detail and agree that their plan and approach has considerable merit. As part of their due diligence they have met and talked with each Mace Board member...

On Feb. 8, the Board met and approved the elections of Chuck Gehrish and Sanjay Singh to the Mace Board to fill the places of Carl Grassi and Dan Perella both of whom had indicated a desire to resign from the Board due to personal and professional reasons. Carl's and Dan's contributions have been exceptional and they will both be missed. In addition, the Board created two new positions, that of Executive Chairman and Executive Vice Chairman with authority to manage and direct the day to day activities. Once the two new Directors join the Board, the Board will vote on a resolution to elect Gehrish and Singh to these positions.

As a result of these initiatives, I will be stepping down as your Chairman. Leadership must now pass to those best suited to achieve organic growth of Mace product offerings. Both Singh and Gehrish have asked that I remain as a Board member and focus on my background skills in financial matters, as well as represent a significant ownership interest. For the near future I will remain a member of the Mace Board of Directors.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Barone". The signature is stylized and includes a long horizontal flourish at the end.

Richard A. Barone