BRAND

ace®

Shareholder Day July 2, 2020

Sanjay Singh, Executive Chairman and Gary Medved, CEO/President

Compelling Investment Thesis

- Iconic brand : Most people know of Mace pepper spray
- Market : Substantial wallet size– owing to a rise in the global need to self-protect using non-lethal ways
- Branding : Promoting our products and its various uses
- Differentiator : Innovation, new products, technologies and licensing the MACE name, strong management team
- Financials : Recent improvements in four wall operating efficiencies leading to strong EBITDA margins

Mace.

Mace
pepper spray
CAUTION: STRONG IRRITANT CONTENTS UNDER PRESSURE.
Mace
pepper spray

We Invented Social Distancing

We are *THE BRAND*

Introduction to Mace Security International, Inc. (OTCQX – MACE)

- Mace Security International, Inc., located in Cleveland, Ohio, is a manufacturer and provider of personal safety and security products to consumer and law enforcement markets worldwide.

- Mace® Brand is the original manufacturer and market leader in the defense spray segment and has over 40 years experience developing aerosol defense spray dispensing technologies for both the consumer and tactical markets around the world. The Company also markets products through the well respected Vigilant (R), Tornado (R), and Takedown (R) Brands.

- Mace® directly distributes and supports its branded products through strategically targeted customer channels that include selected retailers, wholesale distributors, independent dealers, e-commerce channels, and our website, Mace.com.

Current Product Lineup

Personal Alarms

Pepper Guns

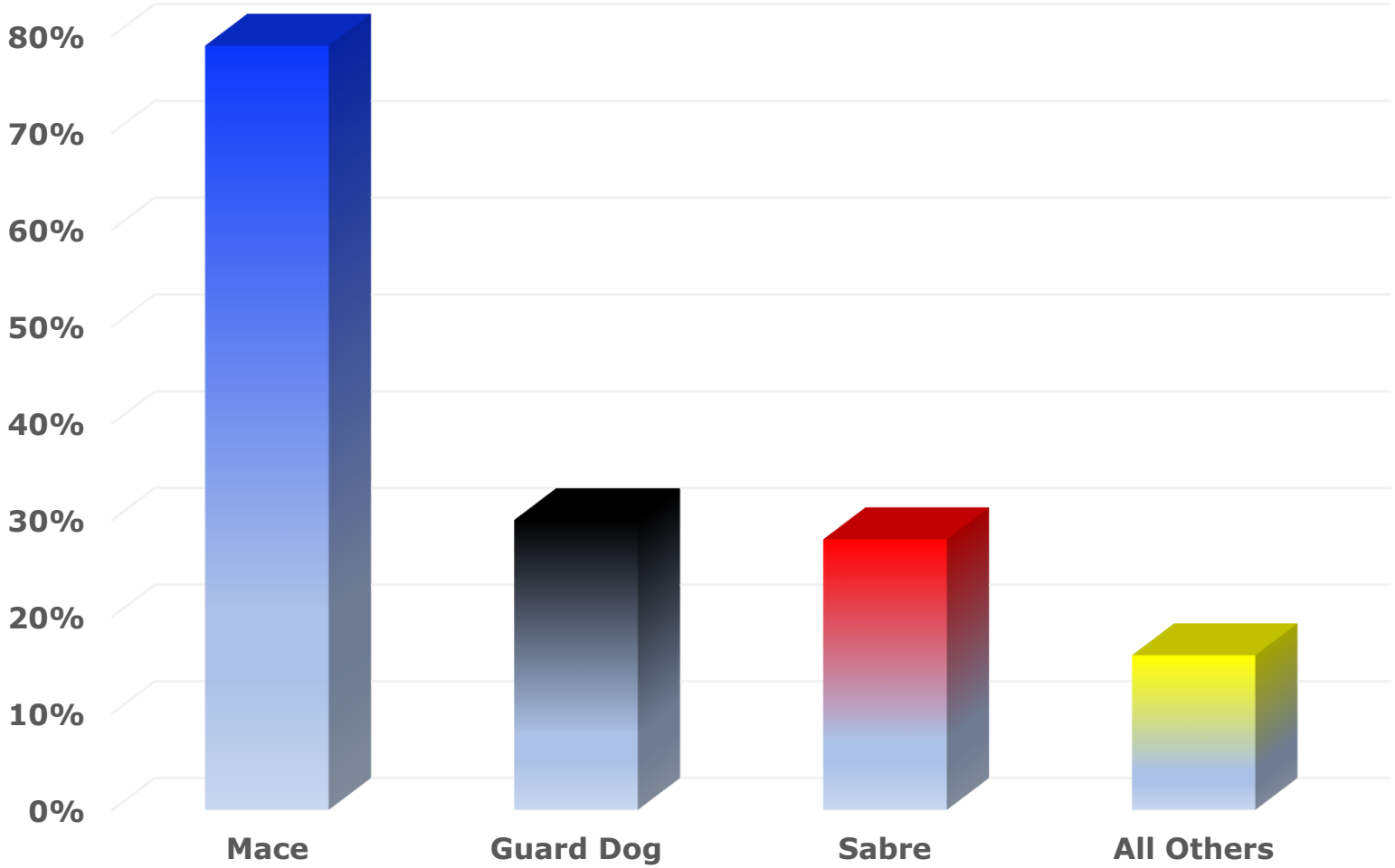
Stun Guns

Pepper Spray

Pepper Gel

Brand Awareness

(Among Male Buyers, Armed Women, and Unarmed Women)



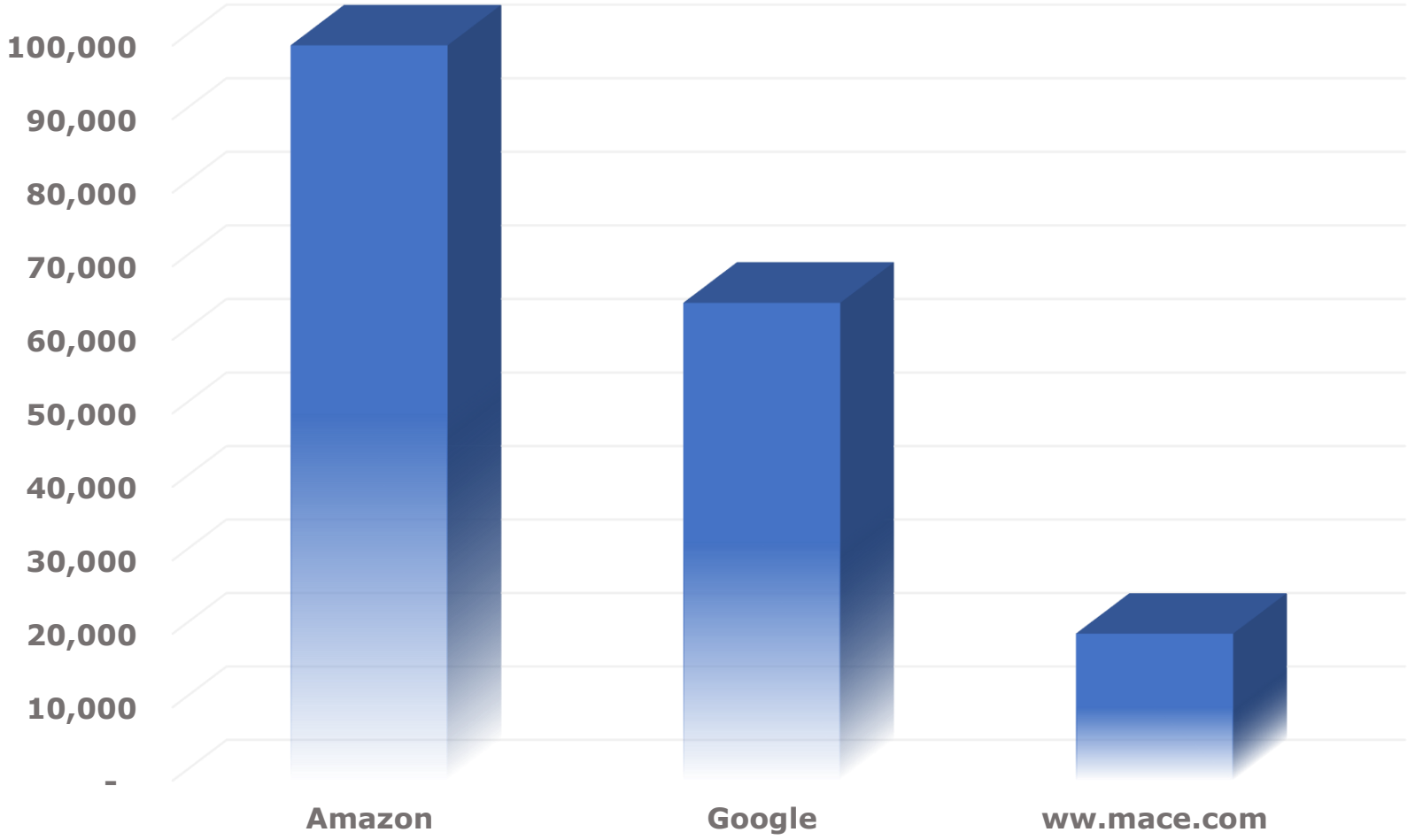
Source: Nottingham-Spirk Consumer Insight Survey March 2020

Brand Comparison

	Strong Brand Recognition	Original & Authentic	Product Innovator	Quality Level	Retail Price Point	Retail Margin	DTC Sales Leader	Amazon Sales Leader
Mace Brand	✓	✓	✓	High	Premium	High	✓	✗
Sabre	✗	✗	✗	Medium	Opening Price Point	Medium	✗	✓
Others	✗	✗	✗	Med-Low	Med-Low	Med-Low	O.K.	O.K.

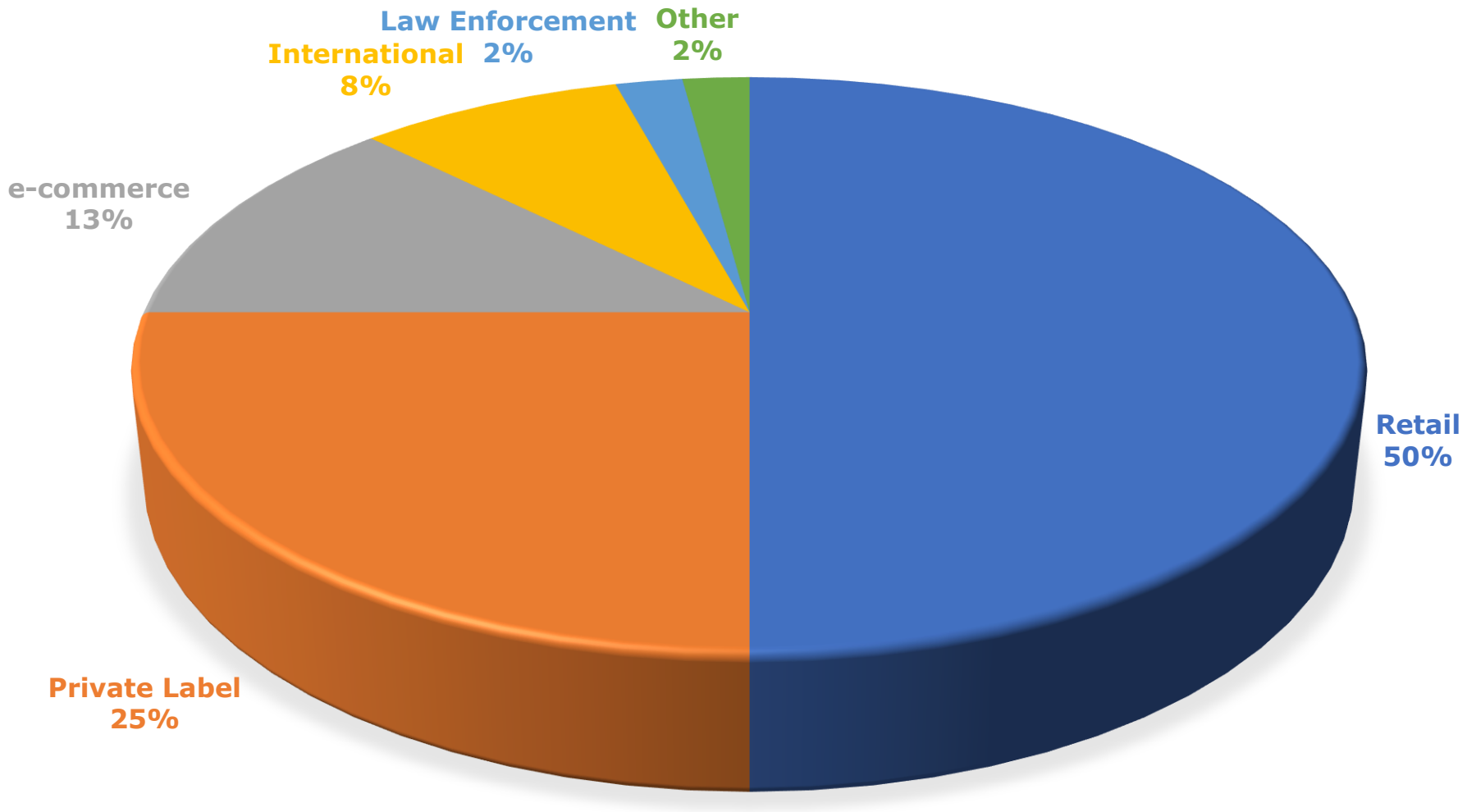
Brand Awareness

(Searches per Month for “Mace”)



Source: Semrush March 2020

Current Sales Distribution



LOGISTICS/SUPPLY CHAIN ADVANTAGES

- Global sourcing of unique products provides competitive edge
- Multiple domestic sources providing raw materials
- Proprietary formulas and product design
- Significant in-house packaging and product design expertise
- Manufacturing is non capital-intensive, and low investment in manufacturing facilities (leased building/machinery)

We are *THE BRAND*

- Iconic Brand with Superior Brand Name Recognition
  - 80% Brand Name Recognition
  - Leader in Search Terms
- Opportunity to License Brand Name
  - Safety Products
  - Safety Technologies

Favorable Climate for Non-Lethal Personal Safety and Security Products

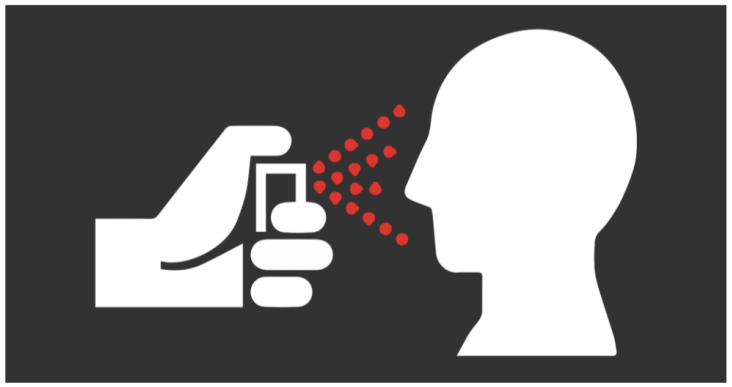
Trends in the US

- For the past 20 years 22-29% of US adults were victims of crime
- Every year nearly 10,000 women on college campuses are victims of forcible sex offenses
- 61% of women check the back seat of their car before driving away
- 31% of women avoid walking by boys or men
- Nearly 20% of women using an online dating site are threatened with physical harm
- And more…

Preferred PPD

Pepper spray is the most commonly reported type of PPD being carried during an attack.

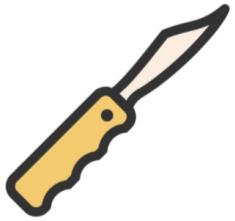
In instances when a PPD was used during an attack for self-defense, nearly 50% of the time, pepper spray was what the survivors had on them for protection. Roughly 1 in 5 times, a firearm was used for self-defense. Stun guns and whistles were very rarely used by participants.



Pepper Spray – 47%

Firearm - 21%

Stun Gun - 12%



Knife - 10%

Whistle/Alarm - 4%

Baseball Bat - 3%

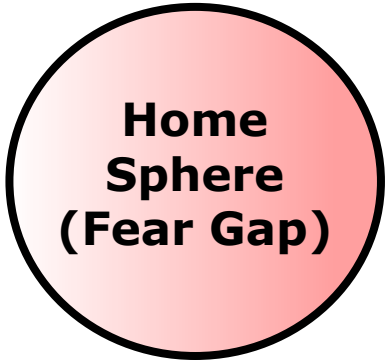
Other - 8%

Q17/Q20: What type of personal protection did you/they have available at the time?

Making You Safe in Your Community

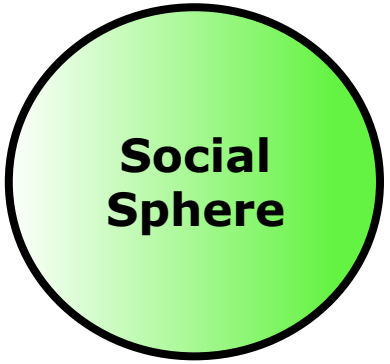
Huge Untapped Market and The Fear Gap

Addressable Market - USA



128M households in America

5.6M employer firms in USA
99.7% are less than 500 employees



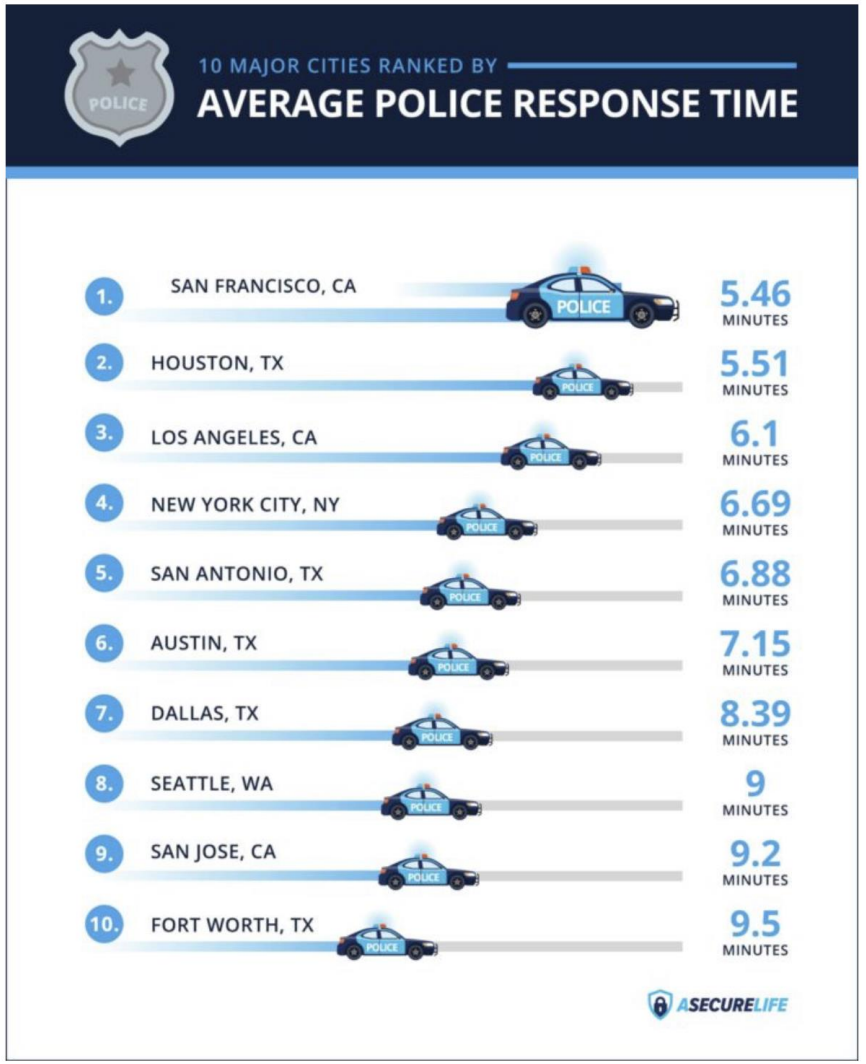
209M+ citizens over the age of 18

Addressable Market - USA

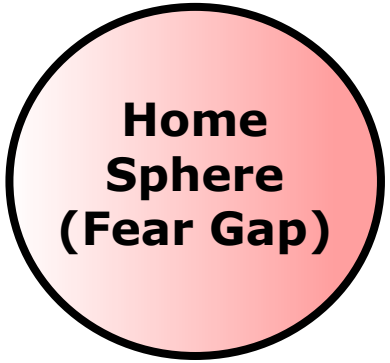
Home Sphere (Fear Gap)

Professional Sphere (Fear Gap)

Social Sphere



Addressable Market - USA



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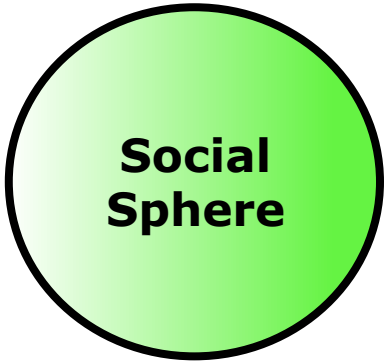

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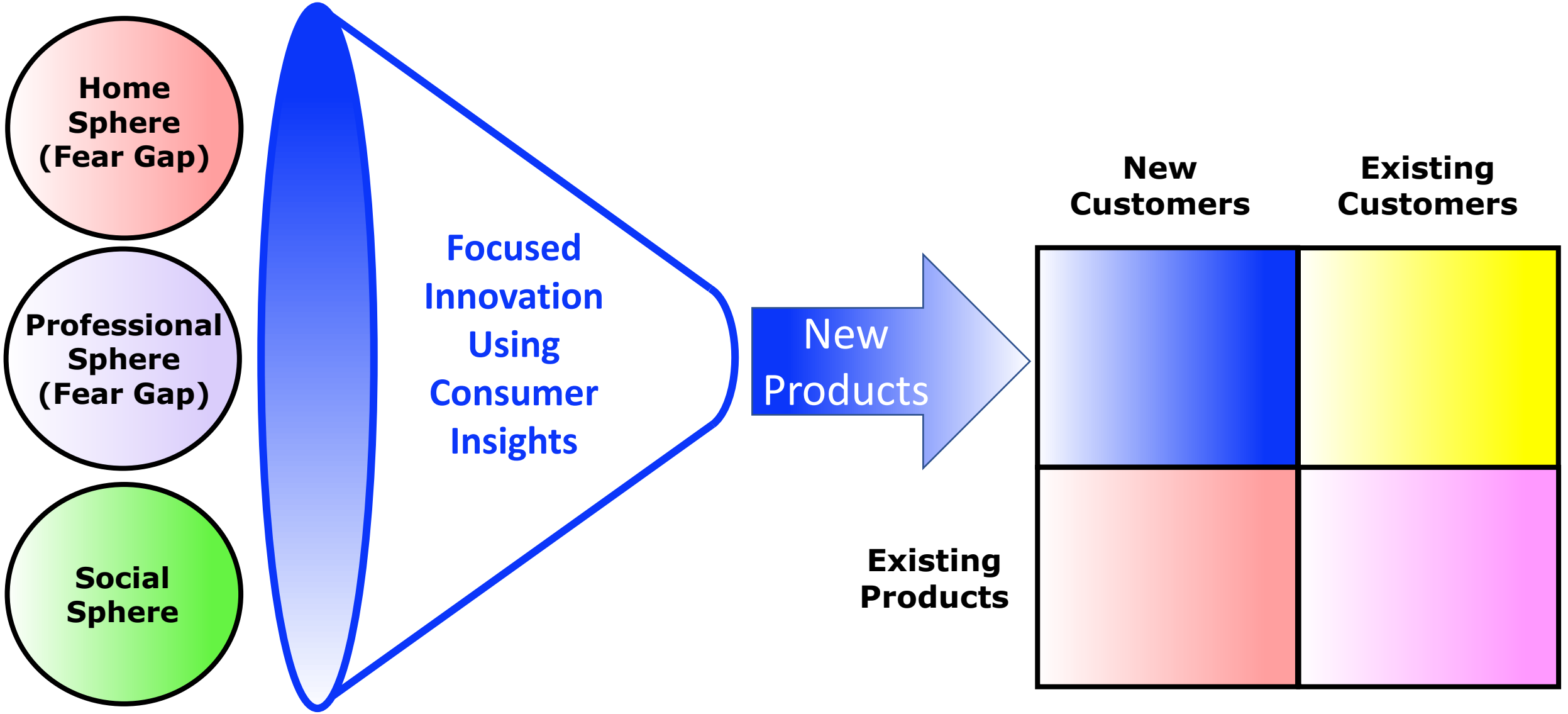
Consumer Insight Survey

- Conducted nationwide by Nottingham-Spirk 1Q20
- Insights used for product & content development
- Key Insights
    - Target Demographics (and their concerns) Identified
    - Awareness & Educational Opportunities
    - Product Design Elements

Innovative New Product Growth

Innovation:

Products that are patentable, relevant, and value-add to the end user



New Retail and Digital Strategies

Retail: Consumer-Centric

Launched Spring 2020

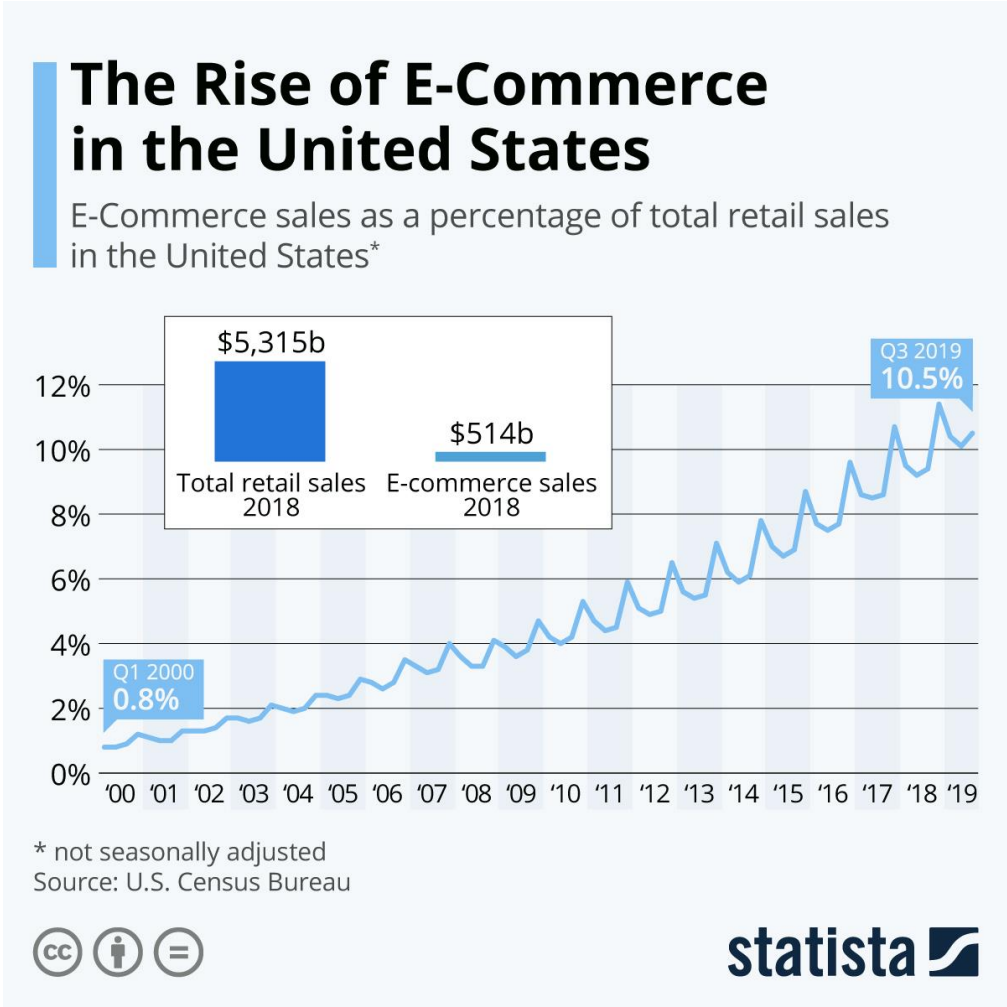
- Full Product Continuum introduced (showing double-digit growth)
- Packaging and Product Refresh
- Price Point Strategy – use of Tornado Brand

Goal: Develop a Personal Safety Category at the Retail Level (currently none exists)

Product Line Refresh

Digital Marketplace Opportunity

E-commerce gross margins are typically 1.5 to 2X retail



Digital: Content Development

- On-going:
  - Amazon content
  - Website buildout

- Awareness & Education content – 2Q20
  - Personal Safety
  - Personal Safety Products
  - Personal Safety Products Brands

- Introduce New Content across all platforms
  - www.mace.com
  - Social Media
  - Google
  - Amazon

Goal: Become the Personal Safety Expert

SWOT Analysis

Strengths

1. Recognized brand name
2. Strong EBITDA margins now
3. Innovation
4. Experienced mgmt. team
5. NOL Carryforward

Weaknesses

1. Too many SKUs
2. Order to cash process
3. Intellectual resource-light
4. Late to Amazon and DTC

Opportunities

1. Need for peace of mind and non-lethal self-protection
2. Branding and Education
3. Sizeable wallet in retail and DTC
4. Tornado – Opening Price Point

Threats

1. Brand synonymous with pepper spray causing confusion
2. Banning of Pepper Spray

Ample Acquisition Opportunities

- Recent acquisitions enhanced specific product channels – custom manufacturing, personal alarms, Tornado brand
- Potential roll-ups of customers/distribution channels
- Industry leadership position makes Mace an attractive acquirer

Attractive Financial Characteristics

Investment Thesis

- Market leader in Brand Awareness
- Favorable Climate for Non-Lethal Personal Safety and Security Product
- Conservative balance sheet, low capital intensity, access to capital markets
- Lowered break-even point allowing future revenue increases to fall to bottom line
- Transparency in governance and public reporting

Conservative Capital Structure

As of May 2020

Short-Term Debt (less than 1 year)
$217 Term Debt
$600 Bank Revolver

Long-Term Debt (over 1 year)
$229 Term Debt
$240 PPP Loan

Total short term and LT debt = $1,330
Cash on hand ~$1,300

Interest rates are fixed at 2-5% and are pre-payable without penalty

Significant Improvement in EBITDA margins

2017 - 2019

US$ MM	'17	'18	'19
Sales	$9.9	11.5	10.5
chg. YOY	*10%*	*15%*	*-9%*
Gross Margin	42.8%	36.7%	36.2%
SG&A	$4.2	4.8	5.1
EBITDA	**($0.05)**	**(1.5)**	**(1.2)**
%	*(0.5%)*	*(13.3)*	*(11.5)*

Quarterly Performance Q1, 2019-Q1, 2020

US$ MM	Q1 '19	Q2 '19	Q3'19	Q4'19	Q1'20
Sales	$2.7	3.0	2.5	2.4	2.8
Gross Margin	38.4%	31.2%	38.4%	37.8%	38.7%
SG&A	$1.8	1.4	1.0	0.9	0.9
EBITDA	**($0.7)**	**(0.5)**	**(0.04)**	**0.05**	**0.24**
%	*(27%)*	*(16.2)*	*(1.5)*	*1.9*	*8.6*

Additional Investment Insights

- NOL Analysis: Company has approximately $56M in tax NOL Carryovers, or $0.88 per share of (gross) NOL
- Less than $8M expiring by the end of 2022
- Additional opportunities to monetize NOL's include licenses or royalties, strategic partnerships, or tax shield for acquisitions
- Mace follows transparent public reporting, and strong governance through a diverse, independent and annually-elected BOD

Thank You!