



# Innovative Potential

## A deeper look into our most innovative recommendations

Just two months ago, we discussed the investment style of Cathie Wood, founder and CEO of Ark Invest. Wood made her mark on the investment world by investing in disruptive innovation – companies that have the potential to transform their respective industries. This inspired us to take a deeper look at some of our recommendations with potentially game-changing products and innovation.

### Challenges to Investing in Innovation

Business innovation is rare among penny stocks because they often have limited resources. Most Bowser recommendations have minimal long-term debt, which is good for their balance sheets, but makes it difficult to allocate funds to research and development.

Investing in innovative stocks also encourages FOMO – the Fear of Missing Out. Therefore, when investing in innovative stocks, avoid chasing higher and higher share prices.

### Technology

Technological innovation is incredibly appealing and can drive stocks like Tesla (TSLA) to deliver unbelievable return on investment (ROI). TSLA shares surged 960% in just over one year while revenue only grew 28% during the same period.

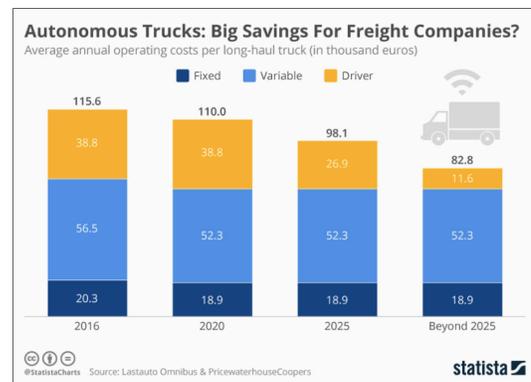
A recent Bowser recommendation with technologically-innovative products is **One Stop Systems (OSS)**. The stock has made a major run up since our recommendation but its products have also changed drastically.

We initially recommended OSS with the understanding that its high-performance computing modules would be in great demand. Its graphical processing unit (GPU) expansion units could add hundreds or thousands of computing cores and increased performance to OEM servers virtually.

However, the more attention-grabbing application of its products is autonomous driving solutions. Driverless technology is becoming more and more popular as electric vehicles take the world

by storm. GPU technology is now being used to provide processing power for autonomous cars, which assists with blind spot detection, pre-collision braking, self-parking and much more. OSS offers the ExpressBox 4400, which provides configurable expansion for transportable AI applications at twice the performance of the previous generation.

Autonomous vehicles will change the way businesses make decisions. For example, in March 2021, OSS received production orders for the ExpressBox 4400 from a self-driving trucking technology company. The purpose of these driverless trucks is to reduce operating costs and overall liability. Below is a chart of potential industry-wide savings:



Beyond 2025, autonomous trucks could cut driver expenses by as much as 70%. Even a small investment in a few of the One Stop Systems' products could prove beneficial for the industry and fuel demand for the stock.

### Cash Cows

*The Bowser Report* has always focused on fundamentals over flashy products. Most recommendations dominate their industries through clear competitive advantages, but a few let the money speak for them.

**Smith-Midland Corp. (SMID)** and **FlexShopper (FPAY)** offer products and solutions

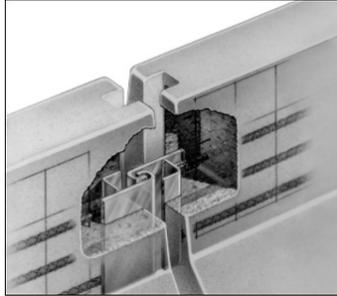
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that are considered cash cows – products that provide consistent income and are always in demand.

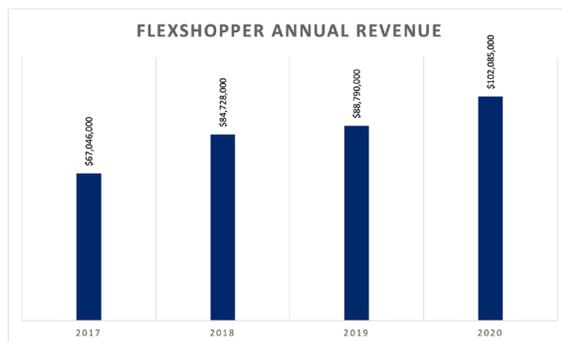
Smith-Midland's cash cow is the J-J Hooks Barrier, which the company sells through its subsidiary, Easi-Set Worldwide. The J-J Hooks Barrier is a precast concrete safety and security system that is considered the gold standard for traffic routing in North America.

The J-Hook connection consists of two identical steel J-shaped hooks that create a continuous steel connection. These barriers have exploded in demand as the company has gained licensing to sell them in more states.



While revenues have fluctuated between \$40 million and \$50 million and earnings between \$1.5 million and \$3 million since fiscal 2016, SMID's share price has appreciated almost 500% over the same period as investors have realized the consistent performance of Smith-Midland's J-J Hooks offering.

**FlexShopper's (FPAY)** FlexShopper program allows consumers to lease products under a rental-purchase agreement. Consumers just need to apply, shop, sign an agreement and lease-to-own the product. This allows the company to offer products like home theaters starting at \$7 per week while assisting the leasing party. Below is a chart showing the company's consistent revenue growth:



# Market Overview

<b>BWSR AVG</b> ↑ 6.4%	<b>RUS 2000</b> ↑ 0.5%	<b>NASDAQ</b> ↑ 0.5%	<b>DOW JONES</b> ↓ 0.1%	<b>S&amp;P 500</b> ↓ 0.1%
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Major indices recovered after pulling back 7% to start off the month. Most of the recovery came after jobs data improved, but it still fell short of analyst estimates. The largest gainers were stocks that have gained popularity on the Reddit social media platform. AMC Entertainment (AMC) shares skyrocketed and its stock options recorded record volume. Bowser stocks (up 6.4%) showed relative strength as some of the low volume stocks outperformed. **Smith-Midland Corp. (SMID)** was one of the top gainers after reporting strong quarterly revenue growth.

Over the past four years, FlexShopper has maintained rapid revenue growth, and its lease-to-own program has provided consistent income, creating value for shareholders. As a result, shareholders have been rewarded with a 300% increase in share price since FPAY's low in 2018.

## Potential

Innovation is insignificant unless it creates fundamental value. While some Bowser recommendations market flashy products, we will always value potential earnings and strong fundamentals. One Stop Systems has high potential among small cap stocks to capture market share within the autonomous driving industry. Although currently overvalued, we believe that OSS's pivot towards this exciting industry will reward shareholders even more in the long run.

Rarely do innovative potential and fundamental performance line up. However, when they do, the results are explosive as has been evident in OSS and SMID. We will continue to search for these opportunities.

In the meantime, stick to your investment strategy to ensure you are well diversified and have an entry and exit plan (see the Bowser Game Plan below). Avoid FOMO at all costs and keep investing in the underlying company, not just flashy products.

## The Bowser Game Plan

1. DO NOT PAY more than \$3/share for a stock.
2. CREATE A PORTFOLIO of 12 to 18 stocks. **Diversification is important.**
3. DO NOT SELL when a stock goes above \$3/share and is moved to Page 5.
4. DO NOT SELL when a stock moves to a lower category.
5. SELLING PLAN: Sell half of your holdings when the stock doubles from your purchase price. Sell the remainder after the stock drops 25% from its most recent high. If the stock drops 50% without doubling, sell all shares.
6. RECORD proceeds from sales.
7. PORTFOLIO EVALUATION = current value of portfolio + proceeds from sales

# COMPANY OF THE MONTH

**Mace Security International (MACE)** designs, manufactures, and sells personal safety and security products to retailers, distributors and individual consumers worldwide. It offers pepper sprays, gels and guns, animal deterrent sprays, personal alarms, stun guns, combo kits and much more under the Mace brand. It also sells tactical spray products and systems to law enforcement, security professionals, correctional institutions and military markets. The company distributes and supports its branded products and services through mass market retailers, wholesale distributors, independent dealers, e-commerce marketers, installation service providers and its website.

## Competitive Advantage

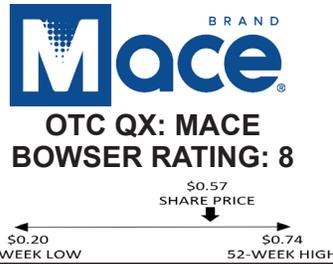
Mace Security International has multiple significant advantages over its competitors. MACE has become a household name over the years demonstrating the company's powerful brand recognition because of its dominance in the pepper spray market.

MACE's brand recognition goes hand-in-hand with its sizable presence in the brick-and-mortar stores. While the company also has a significant presence in various e-commerce channels, that is an area for potential improvement. The company's products are generally well-received, meaning almost any large investment in development yields a great return. This is commonly an obstacle for smaller companies since their products normally cannot compete with the industry giants. However, it puts MACE in an outstanding position to capture market share with every product release.

For example, the company recently released the Mace Palm Stun Device. The product is discreet and easy to carry, but it effectively provides protection in close-contact scenarios. Below is an image of the product:



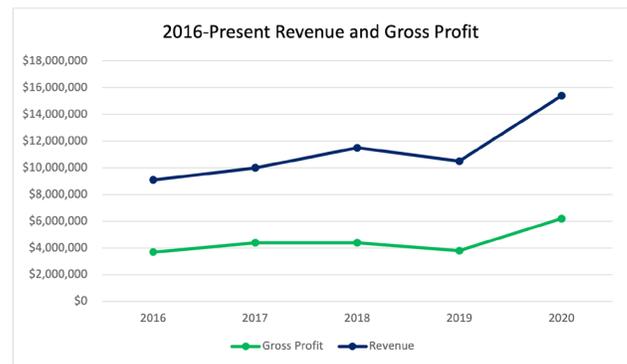
The Stun Device is a perfect representation of MACE's standard product - sleek, high quality and reasonably priced.



## Income Breakdown

Mace Security has made great progress in improving its financials via revenue and income growth. Its gross profit margin has always hovered around 40%, meaning any substantial revenue growth contributes to the bottom line. In 2020, revenue grew

46%, marking the company's largest year-over-year growth since the stock began trading on the OTCQX exchange. Below is a chart showing its revenue and gross profit since 2016:



Both revenue and gross profit surged in 2020, leading to stronger bottom line results. Gross profit margin slightly increased during the surge, showing that MACE is capable of sustainable growth.

The company has historically reported a net loss trending towards positive territory. However, over the past four quarters, MACE has reported quarterly net income of \$100,000-\$700,000 despite being impacted by international supply chain and logistics issues.

## Financials and Valuation

MACE has a healthy balance sheet for a growth stock. Its long-term debt represents only 5% of its total capital and does not raise any red flags. The company has a current ratio of 2.6, showing minimal liquidity risk. Cash and cash equivalents totaled \$844,000 in the first quarter of 2021, the highest since 2016.

While its financial efficiency metrics are good

*Continued on page 6...*

	2019	2020	2021 (A)
REVENUES	\$10,504,000	\$15,391,000	\$3,304,000
INCOME (LOSS)	(\$1,700,000)	\$1,701,000	\$109,000
WORKING CAPITAL	\$2,000,000	\$4,300,000	\$4,300,000
BOOK VALUE	\$0.10	\$0.13	\$0.13
TOTAL SHARES	63,200,000	64,100,000	64,280,000
FLOAT	N/A	N/A	41,609,743
(A) For the three months ended 3/31/2021			

# MINIPRICED STOCKS IN BUYING RANGE

SYMBOLS: (A) NYSE MKT; (CM) NASDAQ CAPITAL MARKET, WAS THE SMALL CAP MARKET; (GM) NASDAQ GLOBAL MARKET, WAS NATIONAL MARKET; (N) NEW YORK STOCK EXCHANGE; (NR) NOT RATED; (QB) OTC QB MARKET; (QX) OTC QX MARKET; # PREVIOUSLY APPEARED ON LIST, BUT WAS REMOVED BECAUSE IT HAD RISEN ABOVE \$3.00/ SHARE; FIGURES IN PARENTHESIS ARE LOSSES.

Date of Recommend & Market	Issue/Trading Symbol	Principal Business	Price 06/04/21	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
<b>CATEGORY ONE: BEST COMPANIES (RATED 10+)</b>								
<b>CATEGORY TWO: GOOD COMPANIES (RATED 8-9)</b>								
10/19(QB)	BAB, INC. (BABB)	FAST CASUAL RESTAURANT FRANCHISES	0.77	\$0.000	2.4	\$0.224	7.3	8
03/21(QB)	INFORMATION ANALYSIS (IAIC)	<b>NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)</b>						
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	2.20	\$0.000	\$12.3	\$0.312	5.2	9
06/21()	MACE SECURITY INT'L (MACE)	PERSONAL SAFETY AND SECURITY	0.57	\$0.359	\$13.4	\$1.178	64.3	8
# 04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	2.72	\$0.000	\$40.8	\$4.067	33.4	9
04/21(CM)	SPAR GROUP (SGRP)	MARKETING SERVICES	1.47	\$1.000	\$230.5	\$8.962	21.1	9
# 06/20(CM)	TOMI ENVIRONMENTAL (TOMZ)	DISINFECTION AND DECONTAMINATION	2.72	\$0.411	\$20.1	\$0.261	16.8	9
Office: 8430 Spires Way, Ste. N, Frederick, MD 21701, Tel: (800) 525-1698, www.tomimist.com								
<b>CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)</b>								
10/18(CM)	AEHR TEST SYSTEMS (AEHR)	SEMICONDUCTOR TEST EQUIPMENT	2.73	\$0.187	\$12.7	(\$5.479)	23.5	NR
02/18(QB)	ALTIGEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	2.50	\$0.000	\$11.4	\$0.167	23.1	NR
04/19(N)	ARC DOCUMENT SOLUTIONS (ARC)	DOCUMENT SOLUTIONS	2.36	\$71.780	\$262.8	\$5.943	42.3	NR
02/20(QB)	BUTLER NATIONAL (BUKS)	AEROSPACE AND DEFENSE PRODUCTS	0.53	\$3.211	\$65.9	\$3.234	67.7	7
# 07/20(CM)	ENGLOBAL CORP. (ENG)	ENGINEERING SERVICES	2.74	\$1.897	\$57.6	(\$1.680)	28.0	9
Office: 654 North Sam Houston Pkwy East, Ste. 400, Houston, TX 77060-5914, Tel: (281) 878-1000, www.englobal.com								
# 03/20(CM)	FLEXSHOPPER (FPAY)	<b>NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)</b>						
# 11/20(GM)	FLUENT, INC. (FLNT)	DIGITAL MARKETING SERVICES	2.88	\$43.848	\$302.0	(\$4.459)	81.9	7
Office: 300 Vesey St., 9th Fl., New York, NY 10282, Tel: (646) 669-7272, www.fluentco.com								
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	1.72	\$1.260	\$53.0	(\$6.484)	20.6	NR
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.40	\$7.517	\$50.6	(\$6.255)	35.9	NR
05/21(QB)	KONATEL, INC. (KTEL)	TELECOM SERVICES	1.06	\$0.150	9.8	(\$0.095)	40.7	NR
# 02/15(GM)	NOVA LIFESTYLE (NVFY)	<b>NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)</b>						
# 07/19(QB)	TABLE TRAC (TBTC)	<b>NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)</b>						
09/19(QB)	TECHPRECISION (TPCS)	METAL COMPONENTS AND SYSTEMS	1.25	\$2.446	\$15.0	(\$0.679)	29.4	NR
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	0.46	\$2.282	\$39.6	(\$0.252)	19.5	NR

We recommend only purchasing companies rated 8 or higher. If a company's rating drops, do not sell. For when to sell, refer to the Game Plan on page 2.

## Category Changes

This month, there are a couple of category changes as a result of the latest earnings on page 7. Both **KonaTel, Inc. (KTEL)** and **TSS, Inc. (TSSI)** are moving from Category 2 to Category 3 with their Bowser Ratings falling from 8 to NR and their earnings slipping from positive to negative.

## BGC sells insurance business

**BGC Partners (BGCP)** entered an agreement to sell its Insurance Brokerage business to The Ardonagh Group Limited for a cash consideration of \$500 million. Completion of the deal, expected in the second half of this year, is subject to customary closing conditions, including the receipt of required regulatory approvals.

BGC Partners' chairman and CEO, Howard W. Lutnick, stated, "The agreement to sell our Insurance Brokerage business for \$500 million reflects the significant value we have created since entering this market in 2017."

## Retractable Tech extends contract

**Retractable Technologies (RVP)** received a preliminary notice from the U.S. Department of Health and Human Services expressing its intent to exercise all seven one-month option periods under the existing contract. This would extend the contract expiration date to February 14, 2022.

As previously disclosed, the option periods increase the value of the contract by \$92,772,680, including the price of the products and freight reimbursement.

## Safe Bulkers prepays debt

**Safe Bulkers (SB)** voluntarily prepaid \$21.2 million of debt as part of its deleveraging strategy. Dr. Loukas Barmparis, president of SB commented: "Safe Bulkers is accelerating its deleveraging strategy, by voluntarily prepaying debt with the objective of creating a clear path towards a modern, energy-efficient fleet with low leverage."

# FOLLOW-THROUGH AND STOCKS TO SELL

WE ENCOURAGE SUBSCRIBERS TO BUY OUR STOCKS WHEN THEY ARE \$3 OR LESS. HOWEVER, WHEN THEY GO ABOVE \$3, WE FOLLOW THEM IN THE FIRST GROUP BELOW. IN BOTH OF THE FOLLOWING LISTS, COLUMN 1 GIVES THE SHARE PRICE AS OF 06/04/21 PLUS THE CURRENT BOWSER RATING. COLUMN 2 IN THE FIRST LIST BELOW INCLUDES THE MONTH/YEAR WE ORIGINALLY RECOMMENDED THE ISSUE, THE PRICE PER SHARE THEN AND THE BOWSER RATING. (NR=not rated)

ISSUE/EXCHANGE SYMBOL	1	2	ISSUE/EXCHANGE SYMBOL	1	2
ALASKA COMMUNICATIONS (GS:ALSK)	\$3.33(8)	12/19 \$1.70(8)	NOVA LIFESTYLE (GM:NVFY)	\$3.06(9)	02/15 \$2.41(11)
BETTER ONLINE SOLUTIONS (CM:BOSC)	\$3.73(9)	07/18 \$2.50(11)	ONE STOP SYSTEMS (GS:OSS)	\$5.65(NR)	12/20 \$2.73(9)
BGC PARTNERS (GS:BGCP)	\$6.12(NR)	08/20 \$2.89(8)	ORION ENERGY SYSTEMS (CM:OESX)	\$5.98(7)	11/19 \$2.93(9)
CBDMD, INC. (A:YCBD)	\$3.04(8)	10/20 \$1.98(10)	RADA ELECTRONIC (CM:RADA)	\$11.11(9)	03/18 \$2.16(10)
CF BANKSHARES. (CM:CFBK)	\$19.50(11)	03/17 \$9.00(11)	RETRACTABLE TECHNOLOGIES (A:RVP)	\$10.07(10)	01/20 \$1.48(10)
*Price adjusted for 1-for-5 reverse split (Aug. '18)			SAFE BULKERS (N:SB)	\$3.68(8)	05/19 \$1.81(10)
CLEAN ENERGY FUELS (GS:CLNE)	\$9.31(9)	09/20 \$2.57(9)	SMITH-MIDLAND (QX:SMID)	\$17.35(NR)	02/16 \$2.38(10)
DESWELL INDUSTRIES (GM:DSWL)	\$3.96(8)	05/20 \$2.35(9)	SONO-TEK CORP. (QB:SOTK)	\$3.70(10)	08/14 \$1.11(8)
ENGLOBAL CORP. (CM:ENG)	NOW \$2.74; SEE PAGE 4		TABLE TRAC (QB:TBTC)	\$3.30(7)	07/19 \$2.40(10)
FLEXSHOPPER (CM:FPAY)	\$3.00(8)	03/20 \$2.27(9)	TAITRON COMPONENTS (CM:TAIT)	\$6.04(11)	05/18 \$1.44(11)
FLUENT, INC. (GM:FLNT)	NOW \$2.88; SEE PAGE 4		TOMI ENVIRONMENTAL (QB:TOMZ)	NOW \$2.72; SEE PAGE 4	
GALAXY GAMING (QB:GLXZ)	\$3.20(7)	05/17 \$0.69(8)	*Price adjusted for 1-for-8 reverse split (Sep. '20)		
HC2 HOLDINGS (N:HCHC)	\$4.31(9)	06/19 \$2.34(12)	TRXADE HEALTH (CM:MEDS)	\$3.82(8)	08/19 \$4.20(9)
INFORMATION ANALYSIS (QB:IAIC)	\$3.20(9)	03/21 \$2.24(9)	*Price adjusted for 1-for-6 reverse split (Feb. '20)		
INSIGNIA SYSTEMS (CM:ISIG)	\$7.67(10)	03/19 \$8.82(10)	WHERE FOOD COMES FROM (CM:WFCF)	\$15.48(10)	10/12 \$5.80(9)
*Price adjusted for 1-for-7 reverse split (Jan. '21)			*Price adjusted for 1-for-4 reverse split (Dec. '20)		
LEATT CORP. (QB:LEAT)	\$16.00(10)	12/17 \$1.92(10)	WIDEPOINT CORP. (N:WYY)	\$6.81(8)	04/20 \$3.50(8)
LIBERATED SYNDICATION (QB:LSYN)	\$3.95(7)	08/18 \$1.61(8)	*Price adjusted for 1-for-10 reverse split (Nov. '20)		
MIND C.T.I. (GS:MNDQ)	\$3.22(9)	02/21 \$2.64(8)	WILLIAMS INDUSTRIAL (QX:WLMS)	\$5.35(9)	01/21 \$2.86(9)

## THE FOLLOWING WE SAID SHOULD BE SOLD

(COLUMN 2 SHOWS THE DATE, PRICE AND BOWSER RATING WHEN WE RECOMMENDED THE STOCK BE SOLD)

SEACHANGE INT'L (GS:SEAC)	\$1.15	10/20 \$0.76	SINGING MACHINE CO. (QX:SMDM)	\$0.35	09/20 \$0.25
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## BRIEFS

**Aehr Test Systems (AEHR)** received and shipped a follow-on order totaling more than \$2.3 million for a FOX-XP Wafer Level Test and Burn-in system. . . . **cbdMD (YCBD)** collaborated with researchers at the Colorado State University veterinary program to explore the effects of

its cannabinoid blend on dogs that suffer from osteoarthritis. . . . **GSE Systems' (GVP)** strategic collaboration with ABB Bailey Japan resulted in a significant project to provide process simulation for NIHONKAI LNG Niigata terminal in Niigata, Japan. . . . **Retractable Technologies (RVP)** entered into an amendment to the Technology Investment

## INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
ARC Document Sol. (ARC)	A-963,204	8	\$0.00
cbdMD, Inc. (YCBD)	A-419,741	2	\$0.00
CF Bankshares (CFBK)	D-1,590	1	\$0.00
	B-40	1	\$19.85
Clean Energy Fuels (CLNE)	S-2,118,949	10	\$8.00-\$8.40
	OE-40,000x	1	\$1.37
Fluent, Inc. (FLNT)	A-127,427	5	\$0.00-\$2.72
FlexShopper (FPAY)	B-17,500	4	\$2.35-\$2.76
	B-242,421x	3	\$2.40-\$2.59
Galaxy Gaming (GLXZ)	OE-25,000	1	\$0.31
GSE Systems (GVP)	D-1,141	1	\$1.33
HC2 Holdings (HCHC)	B-326,893x	8	\$3.73-\$4.00
	B-5,000	1	\$3.70
Insignia Systems (ISIG)	B-52,641x	6	\$6.45-\$6.65
	D-1,025	1	\$5.59
One Stop Systems (OSS)	A-166,996	8	\$0.00
Orion Energy (OESX)	OE-22,045	1	\$4.19
Socket Mobile (SCKT)	S-740	1	\$4.91
SPAR Group (SGRP)	S-113,226	4	\$1.61-\$1.71
	S-163,592	2	\$1.54-\$1.58
Trxade Health (MEDS)	D-18,632	4	\$0.00
	A-10,912	2	\$3.78
WidePoint Corp. (WYY)	B-4,000	2	\$6.90-\$7.17

A-Acquisition (Non Open Market), B-Bought, D-Disposition (Non Open Market), OE-Option Exercise, S-Sold, x-indirect holdings. Information obtained from Nasdaq.com.

Agreement (originally awarded on July 1, 2020) with the U.S. government providing \$27,365,232 in additional funding. . . . **Socket Mobile (SCKT)** announced that Dave Holmes has joined the executive management team as chief business officer. SCKT also announced that its entire family of barcode scanners offer out-of-the-box support for applications designed to facilitate EU Digital COVID Certificates. . . . **Table Trac (TBTC)** was selected by the Comanche Nation Entertainment of Lawton, Oklahoma, for its CasinoTrac casino management system for its new War Pony Resort & Casino. . . . **Trxade Health's (MEDS)** board of directors authorized the repurchase of up to \$1 million of shares of the company's common stock. . . . **Williams Industrial Services (WLMS)** was granted an expansion of its nuclear decommissioning scope with Holtec from two units to five.

# BUCKAROOS SPEAK

## Technical Analysis

*Do you also use technical "tools" such as indicators and overlays with your fundamental analysis?*

-- Michael K.

Technical analysis only weighs into long-term investing for entry and exit points. You can use a combination of moving averages to read trend shifts and when a stock becomes oversold or overbought. For active portfolio management, the 8 simple moving average (SMA) and 20 simple moving average (SMA) act as support and resistance. Additionally, it helps to zoom out to the daily and weekly timeframes to avoid overpaying for shares.

However, using the Bowser Game Plan and dip-buying strategy we outlined in the May 2021 issue, you

can keep trade executions simple. As long as you are not letting emotion affect your entry points, the Bowser Game Plan should be more than enough.

## The Terrible Ten

*Genesis Healthcare (GEN) from the Terrible Ten was a homerun investment for me. Should I buy it again?*

-- David P.

The Terrible Ten was Max Bowser's successful experiment that we replicated during last spring's market volatility. Although it was just as successful the second time around, you should try to focus on fundamentals again since the markets have normalized. If the stock market crashes again and those stocks drop with it, then you can consider buying your favorites again.

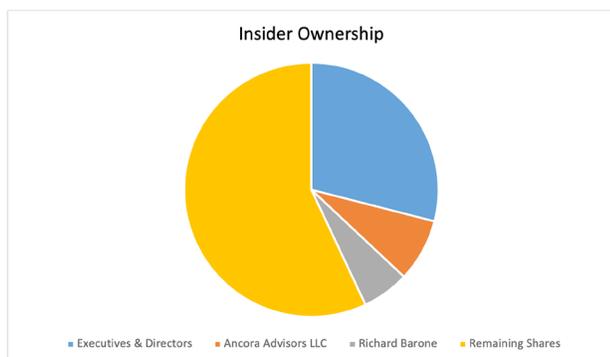
# COMPANY OF THE MONTH... CONTINUED

relative to competitors, these high numbers also show that capital is available to fuel faster growth and/or research and development.

MACE has a price/book ratio of 4.4, which is 57% higher than its five-year average of 2.8. This means that the stock is valued higher than it has been historically. However, all of its value metrics are well below the industry average. Therefore, while the stock is more expensive than usual, it is still undervalued relative to its competitors. The ideal entry point is under \$0.45/share, but consistent revenue growth would justify a higher entry point.

## Ownership

MACE currently has 64 million shares outstanding and a float of 41.6 million shares. The share structure makes for less volatility and higher liquidity. Insiders account for 16.6 million shares, or 29% of the total shares outstanding. Below is a chart showing the stocks ownership summary:



Ancora Advisors LLC and Richard Barone hold 8% and 6% of the shares, respectively. While it is unlikely that institutional investors will accumulate shares of an OTC-listed stock, MACE's insider ownership is reassuring for long-term investors.

## Outlook and Risks

Overall outlook for the personal safety and security products industry is outstanding with a CAGR of 14%. Considering Mace Security's strong brand recognition and revenue increase, the company is positioned to capitalize on this rapid growth. The consumer market (in which MACE grew 57% in 2020) will be vital moving forward.

However, the positive outlook is accompanied by room for improvement. While Mace Security has a fantastic balance sheet and well-received products, management has not allocated a significant portion of its capital towards creating new products and marketing them aggressively. To create even more value, MACE must do so.

In addition, e-commerce sales have improved, but making this a part of its strategic focus on marketing strategies would be wise to capture more consumer growth. Small adjustments such as website improvements and automating the order-to-ship process should substantially boost sales. The company's other strategic focuses are international markets and launching new products.

## Conclusion

MACE has incredible potential and high quality products. The company reached many major milestones in 2020, and insiders accumulated more shares. It has a strong fundamental foundation and has consistently reported good earnings for four consecutive quarters. We believe that MACE offers a unique investment opportunity through its brand recognition and proven market penetration.

*Office: 4400 Carnegie Avenue, Cleveland, OH, Phone: 800-585-6223, www.mace.com*

## Beginner's Portfolio Up 402%

**BOUGHT:** KTEL (200 Shares) @ \$1.06 plus \$7 commissions = \$219

**SOLD:** TSSI (200 Shares) @ \$0.49 per share less \$7 commissions = \$91

TAIT (100 Shares) @ \$5.60 less \$7 commissions = \$553

Cost	06/04/21	Cost	06/04/21	Cost	06/04/21	Proceeds			
MMMB*	200/Jun '17	272	BUKS	134/Mar '20	106	MNDO	586/Mar '21	644	<b>From Sales</b>
LEAT*	488/Jan '18	1600	ALSK	450/May '20	666	SB	490/Apr '21	736	
BOSC	510/Aug '18	746	BGCP*	512/Sep '20	612	IAIC	573/Apr '21	640	
AEHR	368/Dec '18	546	YCBD	600/Dec '20	608	IBAL	371/May '21	440	
ISIG	262/Apr '19	215	TAIT*	560/Dec '20	604	SGRP	332/May '21	294	
HCHC	460/Jul '19	862	TBTC	587/Feb '21	660	KTEL	219/Jun '21	212	

**Current Holdings Value:** 8,141

**Proceeds from Sales:** 15,785

**Total Value of Portfolio:** 23,926

Original cost for all stocks: \$4,766

\*Half of original holdings

Gain: 23,926 minus 4,766 = 19,160

Percentage of gain: 19,160 divided by 4,766 x 100 = 402.0

**Compound Annual Growth Rate:** 8.51%

**Comments:** This is a simulated portfolio for those who would like to actively participate in the stock market... **They want an approach that will serve as a learning situation...** An investment of up to \$600 a month is required... **With each new Company of the Month, 100 shares are purchased until we had 18...** We began using 200 shares each in 2017 to use more cash... We use an internet broker... **We follow the Bowser Game Plan. Portfolio started Sep. '01.**

### Beginner's Portfolio Explanation

There was a bit of reshuffling this month as **Taitron Components (TAIT)** doubled and **TSS, Inc. (TSSI)** dropped 50% without doubling. As a result, we sold half of TAIT and all of TSSI, which was replaced with May 2021's Company of the Month, **KonaTel, Inc. (KTEL)**. Each transaction resulted in a simulated \$7 commission because each stock trades over-the-counter. Both Current Holdings and Proceeds from Sales appreciated considerably this month, up 4.7% and 2.8%, respectively.

## EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
Better Online Solutions (BOSC)	03/31/21	\$7,328,000	\$7,468,000	\$123,000	\$54,000	
cbdMD, Inc. (YCBD)	03/31/21	\$12,457,386	\$9,703,800	(\$13,070,754)	\$14,783,756	
Flexshopper (FPAY)	03/31/21	\$32,783,670	\$24,842,747	\$1,237	\$51,685	
Fluent, Inc. (FLNT)	03/31/21	\$70,170,000	\$78,934,000	(\$6,258,000)	\$408,000	(A)
Galaxy Gaming (GLXZ)	03/31/21	\$4,283,000	\$4,494,000	\$88,737	\$116,605	
GSE Systems (GVP)	03/31/21	\$13,104,000	\$17,705,000	(\$2,205,000)	(\$6,258,000)	
Innovative Food (IVFH)	03/31/21	\$12,180,899	\$13,305,920	(\$1,843,871)	(\$3,254,198)	
KonaTel, Inc. (KTEL)	03/31/21	\$2,392,838	\$1,957,355	(\$232,722)	\$100,833	
Leatt Corp. (LEAT)	03/31/21	\$12,896,475	\$7,541,874	\$2,060,838	\$362,448	
MIND C.T.I. (MNDO)	03/31/21	\$6,122,000	\$6,008,000	\$1,482,000	\$1,174,000	
Nova Lifestyle (NVFY)	03/31/21	\$3,332,000	\$2,203,000	(\$763,537)	(\$1,339,000)	
RADA Electronics (RADA)	03/31/21	\$25,217,000	\$15,071,000	\$3,771,000	\$170,000	
Retractable Systems (RVP)	03/31/21	\$50,074,000	\$11,202,000	\$17,956,000	\$322,773	
Smith-Midland (SMID)	03/31/21	\$15,218,000	\$9,825,000	\$2,867,000	(\$38,000)	
Sono-Tek Corp. (SOTK)	02/28/21	\$4,097,000	\$5,514,000	\$454,473	\$687,810	
Table Trac (TBTC)	03/31/21	\$2,177,000	\$1,307,000	\$616,007	(\$1,188,000)	
TSS, Inc. (TSSI)	03/31/21	\$5,170,000	\$10,597,000	(\$699,000)	(\$368,000)	
Williams Industrial (WLMS)	03/31/21	\$60,851,000	\$66,147,000	(\$1,681,000)	(\$1,001,000)	

(A) *Ryan Schulke, FLNT's CEO: "We are motivated and energized as we accelerate the strategic transition of Fluent through the Traffic Quality Initiative. First quarter results were consistent*

*with the ranges we had indicated and reflect the investments we are making to achieve our strategic vision and position the company as an industry leader."*

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# NOTES BY THE EDITOR

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Over the past month, volume dried up and stocks gradually recovered from their recent pullback. Inflationary fears resurfaced, but the stronger macroeconomic data kept volatility at bay.

Despite the lower overall volume in general, Reddit stocks skyrocketed while the cryptocurrency market crashed. **Bowser stocks were immune to the price fluctuations from small stocks and posted solid gains in back-to-back months.**



The stock market has without a doubt normalized and is back near its all-time highs. Although the run up from AMC Entertainment (AMC) is enticing, it is vital not to chase these hot stocks. Trying to get rich quickly pulls focus away from the underlying fundamentals and encourages impulsive and often emotional decision-making.

In this market, it's best to stick to your plan and stay patient. Take your profits on winners and cut your losses on losers (the Bowser Game Plan).

**KonaTel (KTEL) is already surpassing \$1/share on positive headlines.** This was yet another stock suggested to us by a subscriber. If you have a stock that has strong fundamentals and a healthy outlook, feel free to email me at [faris@thebowserreport.com](mailto:faris@thebowserreport.com).

## FIVE BOWSER STOCKS UP AND DOWN

KonaTel, Inc. (KTEL)	UP	58%	TSS, Inc. (TSSI)	DOWN	21%
Insignia Systems (ISIG)	UP	43%	Liberated Syn. (LSYN)	DOWN	17%
Table Trac (TBTC)	UP	42%	Fluent, Inc. (FLNT)	DOWN	16%
Taitron Components (TAIT)	UP	35%	cbdMD, Inc. (YCBD)	DOWN	15%
Smith-Midland (SMID)	UP	34%	TOMI Environ. (TOMZ)	DOWN	14%