POOLSAFE

YOUR PERSONAL POOLSIDE ATTENDANT

Management Discussion and Analysis

December 31, 2022

Introduction

The following is Management's Discussion & Analysis (the "**MD&A**") of the consolidated financial position and results from operations of Pool Safe Inc. (the "**Company**" or "**Pool Safe**") for the year ended December 31, 2022. This MD&A should be read in conjunction with the Company's consolidated financial statements for its years ended December 31, 2022 and December 31, 2021, with accompanying notes to those statements for the years then ended.

The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated. The Company's consolidated financial statements for its fiscal years ended December 31, 2022 and December 31, 2021 were prepared in accordance with International Financial Reporting Standards ("**IFRS**").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

During the year ended December 31, 2017, the Company became a reporting issuer in Ontario, British Columbia and Alberta as explained in the Overview section. The common shares of the Company are listed for trading on the TSX-Venture Exchange (the "**TSX-V**") under the trading symbol **POOL**. This MD&A is dated as of April 25, 2023.

Additional Information

Additional information relating to the Company is on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

Overview

Pool Safe was a privately held corporation, which was incorporated on October 27, 2011 pursuant to the Business Corporations Act (Ontario). Pool Safe was a privately held corporation until April 24, 2017, the date which Pool Safe completed its listing requirements and became publicly trading on the TSX-V.

At the beginning of September, 2022 Pool Safe Inc. appointed Nils Kravis as Executive Chairman of the Company. His leadership and extensive branding and marketing experience in the hospitality industry will be of significant benefit as Pool Safe continues to grow and expand its client base.

Since joining, Mr. Kravis has completed a strategic review and developed a new plan that included rebranding and relaunching the PoolSafe product along with introducing a new CRM (customer relationship management) platform that will allow the Company to develop an ideal sales process map that will lead to new marketing and sales initiatives. The third key initiative he is introducing is a software upgrade of the Pool Safe operating software that will make it an interactive IOT (internet of things) device.

The Company has hired 7 Communications to develop a fresh suite of marketing tools for a rebranded PoolSafe product including:

- Development of a new, foundational brand platform that consists of a strategic narrative, a compelling

product name and a complete identity package;
- A redesign of the website that will leverage the new brand platform, feature enhanced content and focus on inbound lead conversion, and;
- Creation of complimentary, photographic, video and brochure content that can be leveraged in multiple sales channels.

On November 15, 2022, the PoolSafe was rebranded as “Loungenie” and the product was relaunched at the IAPPA Expo in Orlando, Florida.

The Company has also contracted with Tangible Words, who are HubSpot implementation specialists to lead the CRM development and implementation. The Marketing Hub software will help Pool Safe grow traffic, convert more visitors and run complete inbound and outbound marketing campaigns at scale. Sales Hub CRM software will help Pool Safe get deeper insights into prospects and automate repetitive tasks and close more deals, faster.

Since 2012 Pool Safe Inc. has been driving incremental revenues for hotels, resorts, cruise lines and waterparks, while increasing guest satisfaction. Their premium multi-purpose product Loungenie is a functional piece of furniture installed in VIP cabanas and exclusive indoor and outdoor lounge areas. Loungenie features a service call button, a lockable compartment for guest electronics and valuables, USB charger, an ice bucket and beverage holders. These features fill a need in their guests’ out of room experiences and create multiple resort revenue sources from daily rentals and incremental food and beverage sales. Loungenie is a solutions-based approach to driving revenue for their customers while delivering a product that their guests will love, which is what sets them apart from their competitors.

The Company’s primary source of revenue comes from its revenue share partnerships. Under this model the Company and its customers create a partnership by executing a three-year Revenue Share Agreement (“RSA”). There is no upfront capital cost to the Company’s partners and a portion of the revenue earned through VIP seating or cabana rentals are shared. With this, the Company also offers a data broadcast system, which includes a touch screen application installed in the customers’ food and beverage area and the call button on each Loungenie. The touch screen alerts their staff when a guest has pressed the Loungenie call button. Each Loungenie is unique, thus enabling the Company’s customers to respond directly to their own customer needs. The Company continues to research and develop a Loungenie application (“app”) product. The app would connect directly to the Point of Sale (“POS”) system of the resort and will enable guests to place their own food and beverage orders directly in addition to gaining access to other amenities offered at the resort location. The app would be specific to each Loungenie unit. The Loungenie also provides for branding and customization opportunities. Each Loungenie can be equipped with a branded lift-lid and a media wrap which will enable the Company to generate additional revenue while enhancing brand awareness. The Loungenie also provides additional revenue streams including product rental fees within VIP areas, an increase in food and beverage orders as well as optional media advertising. The Company also sells the Loungenie unit outright.

Throughout the 2018 year, Pool Safe Inc. developed new hardware and software technology which enables two-way communication between the Loungenie, its data base gateway and the Cloud. Pool Safe Inc. is currently in the process of tendering a request for proposal for new technology partners to upgrade the Loungenie software to enable two-way data transfers and to make the Loungenie an IOT (internet of things) device. As an IoT enabled appliance, the Loungenie will be able to collect usage information and deposit it into an archive in the Cloud, for later mining and potential monetization. The new software will also be able to monitor and manage battery health and interior/exterior temperatures, which will allow for suggestive selling push notifications. For the Company’s portfolio of current and future revenue share partnerships, the Loungenie’s food and beverage long range, low power, wireless connectivity technology (“LoRa”) facilitates a wider service coverage area. Unlike WiFi, which has a 100-foot range, the LoRa technology has a range of up to 1.2 kilometres and is embedded within the Loungenie, and does not require the property to add or make changes to their current infrastructure. Pool Safe Inc.

will continue to add new services to its already feature rich design.

Key Performance Indicators

Key performance indicators that the Company uses to manage the business and evaluate its financial results and operating performance include new customers, net investment in equipment, revenues, average yields, operating expenses and net income. The Company evaluates its performance on these metrics by comparing the actual results and normalized results to management budgets, forecasts and prior period performance.

Recent Events

In May 2021, the Company entered into a Financing Agreement for a senior secured loan of $500,000. The Company issued 1,600,000 warrants in conjunction with the Senior Secured Loan. The loan is due December 31, 2022 and bear interest at 12% per annum. The warrants were valued at $24,598 using a Black-Scholes valuation option model and are considered a cost of issuance. The warrants are being accreted against the loan balance, as interest, over the term of the loan. This loan is subordinate only to the revolving line of credit.

On July 13, 2022 the Company concluded an agreement with Intrexa Ltd. to amend the parties' Credit Agreement by increasing the line of credit to $3.5 million from the current $1 million. The Amendment is at a decreased interest rate of 8% annually from 10% and includes a multi-year term extension.

On August 31, 2022, the Company announced the closing of the first tranche of the previously announced non-brokered debenture financing, being the issuance of 675 Debenture Units for gross proceeds of $675,000. On November 10, 2022, the Company announced the closing of the final tranche of the financing, being the issuance of 130 Debenture Units for gross proceeds of $130,000. Each Debenture Unit consists of (a) one $1,000 face value debenture ("Debenture"), and (b) 28,500 common share bonus warrants of the Company (the "Financing Warrants"). The Debentures mature thirty-six months from the date of the issuance, and bear interest at a rate of eight percent (8%) per annum. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.05 for a period of 36 months from the closing date of the Debenture Financing (the "Closing Date"). If at any time the Common Shares trade at higher than $0.15 per Common Share (on a volume weighted average basis) for a period of 20 consecutive trading days (the "Early Expiry Event"), the Company has the right to accelerate the expiry date of the Financing Warrants by providing the holder with written notice of an Early Expiry Event (the "Early Expiry Notice"). The period whereby the holder is entitled to exercise any portion of outstanding Financing Warrants shall expire 30 calendar days following the date on which the company provides Early Expiry Notice to holders. Furthermore, if a portion of the Debentures are repaid during the first year following the Closing Date, a proportional number of the Financing Warrants shall have their term reduced to the later of one year from the Closing Date and 30 days from repayment of that portion of the Debenture. The lead investor (the "Lead Investor") of the Debenture Financing has their Financing Warrants expire on the date that is 37 months after the Closing Date. The Lead Investor shall also have an Early Expiry Date of 60 calendar days following the date on which the Company provides Early Expiry Notice.

In the 2021 year the Company added 262 new Loungenie units into operation with revenue share partners. In addition, the Company and its partners renewed several Revenue Share Agreements for an additional three years. In the first nine months of 2022 the Company installed a further 330 units into service with revenue share partners as well as upgraded many Loungenie units, at partner sites, with new locks and doors.

At December 31, 2022, the Company has 737 Loungenie units in service.

The Company has had a strong favorable response to its product and expects to place a minimum of 500-600 units and a maximum of 1,000 units into service in 2023.

Change in Directors

On August 12, 2021, Gillian Deacon joined the Pool Safe Board of Directors. Ms. Deacon brings over 10 years of integrated marketing experience across brand, experiential, partnership, and content marketing. She is currently based out of New York City working with Oak View Group ("OVG"), the largest developer of sports & entertainment facilities in the world, with over $4.5 billion committed spend on new arena developments in various prime global locales.

On August 30, 2022, Nils Kravis joined the Board and was appointed Executive Chairman. Mr. Kravis is an accomplished senior executive with deep and diverse experience in developing people, culture, and brands within the hospitality industry. He led and managed Kelsey's International Inc., a former Toronto Stock Exchange listed company, and successfully steered their expansion from 30 to 214 locations, increasing sales from $56 to $240 million. Mr. Kravis and his team were awarded Canada's Restaurant Company of the Year in 2001. In addition, he was recognized by his industry and was awarded the Gold Award of Excellence as Canada's Top Foodservice Executive in 2014. As the former president, Chief Executive Officer and Chief Operating Officer of numerous organizations, Mr. Kravis has held many functional roles within various organizations. Mr. Kravis has managed companies with teams from as small as five to as large as 12,500 employees. He is a 30-year member of the Young Presidents' Organization and has also been an active member of their hospitality network.

Selected Financial Information

The table below summarizes key operating data for the last three fiscal years.

	Year Ended December 31, 2022 $	Year Ended December 31, 2021 $	Year Ended December 31, 2020 $
Total revenue	706,918	254,939	264,888
Cost of sales	394,794	424,793	241,989
Operating costs	1,025,810	449,008	654,480
Net and comprehensive loss	(713,686)	(618,862)	(631,581)
Total assets	1,220,904	873,536	670,128
Total liabilities	2,233,196	1,371,414	1,198,842
Total equity (deficiency)	(1,012,292)	(497,878)	(528,714)
Shares outstanding, end of period	89,229,750	89,229,750	72,021,240
Weighted average shares outstanding	89,229,750	81,461,153	71,212,008
Net loss per share	(0.01)	(0.01)	(0.01)

Selected Quarterly Financial Information

The following quarterly results for the eight most recent quarters have been prepared in accordance with IFRS as listed below.

Three Months Ended	Cash	Current Liabilities	Revenue	Net Loss	Loss Per Share	Weighted Average Shares Outstanding
December 31, 2022	$ 221,096	$ 1,284,869	$ 44,573	$ (398,623)	$ (0.004)	89,229,750
September 30, 2022	291,301	2,190,420	331,925	(170,515)	(0.004)	89,229,750

June 30, 2022	525	1,778,776	260,044	12,359	0.000	89,229,750
March 31, 2022	10,512	1,493,675	70,376	(156,907)	(0.002)	89,229,750
December 31, 2021	28,906	1,293,727	21,867	(219,310)	(0.003)	81,461,153
September 30, 2021	245,923	733,726	169,591	(52,489)	(0.001)	81,461,153
June 30, 2021	240,935	557,021	50,679	(275,065)	(0.003)	81,461,153
March 31, 2021	8,319	1,025,678	12,802	(71,998)	(0.001)	72,021,239

<u>Three-month periods ended December 31, 2022 and December 31, 2021</u>

The net loss for the three-month period ended December 31, 2022 was $398,623 (December 31, 2021 - $219,310). Sales in the three-month period ended December 31, 2022 were $44,573 as site attendance traditionally slows during the fourth quarter. The cost of goods sold mostly reflects depreciation related to revenue share units currently in service and labour costs related to the Company's manufacturing operations. Revenue sharing opportunities are expected to drive greater future sales.

The following table sets forth a summary of the Company's operating expenses by category for the three-month periods:

	Three-Month Period Ended Dec. 31, 2022 $	Three-Month Period Ended Dec. 31, 2021 $
Selling, general and administrative	165,520	77,113
Stock-based compensation	27,825	-
Professional fees	74,238	10,710
Investor relations and regulatory	7,953	7,953
Foreign exchange	(29)	(513)
Advertising and promotion	69,596	14,739
Depreciation	(4,941)	35,153
Government grant	-	(83,077)
Interest on loan payable	57,704	39,147
	406,506	101,225

Operating expenses were $406,506 for the three-month period ended December 31, 2022 (December 31, 2021 - $101,225). The most significant differences in the 2022 quarter were the return of base salaries to the Company's C.E.O. and C.O.O., albeit at a +40% reduction to previous years, the addition of an Executive Chairman, and consulting expenses related to branding and CRM initiatives as well as financing alternatives. Legal expenses related to the financing and general corporate matters were also significant 2022 items. Government COVID-19 grants and assistance were discontinued in 2021.

The Company granted 4,461,487 stock options to the Executive Chairman in the September 2022 quarter and recognized a stock-based compensation expense of $27,825 related to the grant in Q4 2022. The full grant value of $128,941 will be recognized over the expected vesting period of the options. No stock options were granted in the 2021 year.

Higher interest costs and financing costs reflects increased debt.

<u>Years ended December 31, 2022 and December 31, 2021</u>

The net loss for the year ended December 31, 2022 was $713,686 (December 31, 2021 - $618,862). Sales in 2022 increased substantially as compared to 2021, as did per unit revenue share revenues.

COVID reduced revenues in 2021, with interest in the Company's units returning in the second half of 2021.

Operating costs have started to return to more normal levels in anticipation of increased revenues and increased opportunities to place additional revenue share assets with our partners. Recent revenue receipts indicate that the business levels of our partners are returning to pre-COVID levels. Operations in 2021 benefitted from government grants in the amount of $154,402. Interest rates in 2022 included less non-cash expense amounts ($40,839 vs. $98,646) than in 2021. Most of the 2021 non-cash interest related to the conversion of convertible debentures.

The pandemic-related business closures and subsequent ramp up of openings has resulted in slower than planned revenue growth which has hampered efforts to reach self-sustaining cash flows from operations.

Pool Safe continues to see greater interest from the hotel, resort and waterpark customers. The Company expects to grow its sales force through establishing additional distribution relationships within the hospitality industry. This will likely enable the Company to more effectively penetrate the global marketplace.

Expenses in 2021 were reduced from 2020. However, many expense lines increased in 2022 as business has started to return to more normal levels. The following table sets forth a summary of the Company's operating expenses by category for the years:

	Year Ended Dec. 31, 2022	Year Ended Dec. 31, 2021
Selling, general and administrative	$ 520,479	$ 240,817
Stock-based compensation	55,583	-
Professional fees	118,579	51,140
Regulatory fees	30,429	30,044
Advertising and promotion	87,164	21,413
Depreciation	20,497	37,693
Foreign exchange	697	(772)
Government grant - CEWS/CERS	-	(154,402)
Interest on loans payable	192,382	223,075
	$ 1,025,810	$ 449,008

Operating expenses were $1,025,810 for the year ended December 31, 2022 (December 31, 2021 - $449,008). Significant differences in 2022 as compared to 2021 include:

- Senior management deferred salaries in 2020 in order to preserve cash and took reduced salaries as of April 2021. Reduced salaries continued throughout 2022.
- Advertising was significantly increased in 2022 as the industry started to return to more normal levels. Sales opportunities have increased, making advertising more prudent.
- The Government grant reflects any wages, rent and general subsidies paid to the Company via governments. This support ended in 2021.
- Interest expense includes non-cash accretion expense of $40,839 (2021 - $98,646) related mostly to the convertible debenture obligations and CERB loans. Cash interest relates to the coupon on the various loans.

Liquidity and Capital Resources

Cash and Working Capital

The following table sets forth a summary of the Company's working capital position as of the dates presented:

	As at December 31, 2022 $	As at December 31, 2021 $
Cash	221,096	28,906
Working capital (deficit)	(819,898)	(1,036,977)

The Company's principal source of liquidity as of December 31, 2022 was cash of $221,096 (December 31, 2021 - $28,906) and receivables of $33,343 (December 31, 2021 - $31,058). The negative working capital at December 31, 2022 was mostly created by the debts, which mature within the next twelve months. Management will need to raise cash through a combination of equity, debenture financings, and financing arrangement for future product sales, to leave the Company with sufficient funds to meet its obligations and short-term working capital requirements, and to accomplish its short-term plans. The Company plans to continue to monitor closely its use of its available cash.

The Company will require substantial additional capital to fund additional growth in the business.

Going concern

The consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity or debt financing or through the sale of its products at a profit. Since inception the Company has incurred losses which as of December 31, 2022 totaled $5,660,893. In addition, the Company had a working capital deficit in the amount of $819,898 at December 31, 2022. There are no assurances that the Company will be successful in achieving these goals. These circumstances cast significant doubt on the Company's ability to continue as going concern and ultimately on the appropriateness of the use of the accounting principles applicable to a going concern. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

Other Assets (net)

	As at December 31, 2022 $	As at December 31, 2021 $
Equipment	156,140	209,778
Revenue share assets	599,793	407,008
	755,933	616,786

In Q1 2022, the Company upgraded 167 Loungenie units in the field with a new locking system and doors. In addition, the Company added 30 Loungenie units under a new RSA. A further 104 units were placed into service in Q2 2022, while 14 units were removed from service for redeployment and 22 units were upgraded with the new locking system and doors. In Q3 2022, the Company reported a net increase of 163 revenue share asset in service. At December 31, 2022, the Company had 737 units in service.

In the quarter the Company attended the World Waterpark Association (WWA) trade show in Las Vegas and the International Association of Amusement Parks and Attractions (IAAPA) in Orlando. Interest in the Loungenie continued to be extremely high, which is expected to result in increased future revenue generating placements.

Equipment represents manufacturing equipment and moulds. Revenue share assets are PoolSafe units placed into service on a revenue sharing basis.

Liabilities

	As at December 31, 2022 $	As at December 31, 2021 $
Trade payables and other	258,006	202,301
Current portion of lease liability	33,464	36,355
Promissory notes	-	20,000
Current portion of loans	993,399	1,035,071
Current portion of convertible debt	-	-
	1,284,869	1,293,727
Lease liability	45,337	77,687
Loan payable	902,990	-
	2,233,196	1,371,414

In the year ended December 31, 2022, trade payables and accruals increased mostly related to deferred compensation, as trade payables were within 60 days. Capital lease obligations were reduced as the term of the lease progressed. Debt increased with draws against the revolver credit facility and new loans. During the year, the revolver credit facility was increased to $3.5 million, interest reduced from 10% to 8% and the term extended into 2025. The Company makes quarterly payments of 45% of RSA revenue, so much of that facility is current. A 2022 debenture loan of $805,000 is included as a long term liability. Interest expense in 2022 reflects accretion of warrants issued as a cost of debt, which reports as interest expense.

The Company did not issue common shares in 2022. In 2021, the Company issued 3,162,000 common shares at an ascribed value of $63,240, to extend the term to maturity of the convertible debentures and promissory notes by 25 months. The Company issued 11,500,000 common shares in payment of $460,000 of convertible debt, 1,675,000 common shares in payment of $67,000 of promissory notes, and 871,510 common shares in payment of $34,860 of accrued interest. Concurrently, the $68,647 equity value of the conversion feature of the convertible debt was transferred to common shares.

Common Shares	As at December 31, 2022 $	As at December 31, 2021 $
Common shares	4,033,337	4,033,337

Outstanding Share Data

Shares existing at the date of this MD&A and comparative shares at December 31, 2022 and December 31, 2021, are as follows:

	April 25, 2023	December 31, 2022	December 31, 2021
Shares Outstanding	89,979,750	89,229,750	89,229,750
Warrants	27,542,500	27,542,500	10,920,000
RSU’s	250,000	-	-
Options	4,961,487	5,461,487	5,100,000
Total	122,733,737	122,233,737	105,249,750

Related Party Transactions

The following is a summary of the Company's related party transactions during the years ended December 31, 2022 and December 31, 2021, and outstanding as of those dates:

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors. Compensation provided to key management is as follows:

	December 31, 2022	**December 31, 2021**
Short-term employee benefits, including salaries and fees	$ 224,833	$ 105,230
Stock-based compensation	55,583	-
	$ 280,416	$ 105,230

Of the total of $460,000 of convertible debentures issued, $150,000 was issued to executive officers and directors of the Company. These debentures, plus interest outstanding, were converted to 998,058 common shares in 2021.

Stock-based compensation of $55,583 was granted to the incoming Executive Chairman in 2022.

Balances of $62,833 (December 31, 2021 - $35,663) were due to related parties at December 31, 2022.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in Note 3 to the financial statements for the year ended December 31, 2022. Certain of these policies require the use of estimates or assumptions that in some cases may relate to matters that are inherently uncertain. The Company did not adopt any new significant accounting policies or estimates during this quarter.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Capital Management

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the manufacture, distribution, and sale of the "PoolSafe". The Board does not establish quantitative return on capital criteria for Management, but rather relies on the expertise of the Company's Management to sustain future development of the business. Management will need to raise additional cash through a combination of equity and debt, to finance current and future operations, as the Company is not yet self-sustaining.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management in the period ended December 31, 2022. The Company is not currently subject to externally imposed capital requirements.

Off-Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Risk Management

The Company has risk management processes in place to monitor, evaluate and manage the principal risks it assumes in conducting its business activities. These risks include credit, liquidity, interest rate, and various sources of operational risk. The Company's approach to the management of risk has not changed.

Outlook and Economic Conditions

The Company's principal objective is a continuation of managed growth developing quality new business opportunities while maintaining high development standards. The Company is well positioned to capitalize on market opportunities and to meet increased competition through its experienced management and staff, coupled with its substantial capital and borrowing capacity. We continue to look for opportunities to introduce new product development.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or the date specified in such statements.

Forward-looking statements are based upon certain assumptions and other important factors regarding present and future business strategies and the environment in which the Company will operate in the future, which could prove to be significantly incorrect. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and/or its subsidiary to be materially different from those expressed or implied by such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

This MD&A contains forward-looking statements with respect to Pool Safe under the headings "Business Update", "Liquidity", and "Outlook". These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements, in particular, present financial market uncertainty. The Company has assumed that financing alternatives remain available, albeit with terms that are not as attractive as was the case prior to the current worldwide financial market uncertainty. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time that they were prepared but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. Except as required by law, the Company does not intend, and assumes no obligation, to update the forward-looking statements contained herein.