POOLSAFE

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Management Discussion and Analysis

December 31, 2023

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, 2023. This MD&A should be read in conjunction with the Company's consolidated financial statements for its years ended December 31, 2023 and December 31, 2022, 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, 2023 and December 31, 2022 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 26, 2024.

Additional Information

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

Overview

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

On August 30, 2022, Pool Safe announced the appointment of Mr. Nils Kravis as Executive Chairman of the Company. Mr. Kravis completed a strategic review and developed, with management, a marketing plan that included rebranding and relaunching the Pool Safe product along with identifying and adopting a new CRM (customer relationship management) platform that will enable the Company to develop an ideal sales process map that will lead to new marketing and sales initiatives. The third key initiative he assisted with was the software upgrade of the Pool Safe's operating software that will render 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 Pool Safe 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 Company's website that will leverage the new brand platform, feature enhanced content and focus on inbound lead conversion, and;
- Creation of photographic, video and brochure content that can be leveraged in multiple sales channels.

On November 15, 2022, the Pool Safe was rebranded as "LounGenie", and the product was relaunched at the IAPPA Expo (International Association of Amusement Parks and Attractions) 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.

The Company drives incremental revenues for hotels, resorts, waterparks and cruise lines, while increasing the guest experience and satisfaction. The premium multi-purpose LounGenie product is a functional piece of furniture installed in VIP cabanas and exclusive indoor and outdoor lounge areas and premium seating. The LounGenie features a service call button, a lockable and secure compartment for guest electronics and valuables, a USB solar panel charger as well as an ice bucket, beverage holders and storage compartment. These features fill a need in their guests' out of room experiences and can create multiple resort revenue sources from daily rentals and incremental food and beverage sales. The LounGenie is a solutions-based approach to driving revenue at the Company's partner sites while providing a product that fulfils their guests security and service support needs and wishes.

The Company's primary source of revenue comes from its revenue share partnerships. Under this model Pool Safe and its clients create a partnership through a four-year Revenue Share Agreement ("RSA"). There is no upfront capital cost to the Company's client/partners but rather the revenue earned through VIP seating or cabana rentals is shared. With this, the Company also offers a data broadcast system ("DBS") for the LounGenies service call button which is available on all units. The DBS includes a 22-inch touch screen and applications installed in the client/partners food and beverage area. The touch screen alerts their staff when a guest has pressed the LounGenie service call button and will track server response times once initiated. Each LounGenie is unique, thus enabling the Company's client/partners to respond directly to their guests needs. The LounGenie also provides for branding and customization opportunities. Each LounGenie comes with a branded lift-lid and branded safe door and can be equipped with media type wrapping upon request. In summary, the LounGenie provides its client/partners with 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 and DBS outright.

During 2018 Pool Safe developed new hardware and software technology which enables two-way communication between the LounGenie, its DBS and the Cloud. Pool Safe is currently in the process of upgrading the LounGenie software and firmware 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 of the LounGenie 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. The Company 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 client additions, 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 was due December 31, 2023 bearing 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 December 29, 2023 the TSX Venture Exchange accepted an amendment with respect to the Company's $500,000 senior secured loan. Pursuant to the amendment, the repayment date of the debenture and the expiry date of the bonus warrants were extended until Dec. 31, 2024.

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 a 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.

On June 1, 2023, the Company announced the closing of a $420,000 tranche of the non-brokered debenture financing, being the issuance of 420 Debenture Units. On June 30, 2023, the Company announced the closing of a $670,000 second tranche of the non-brokered debenture financing, being the issuance of 670 Debenture Units. Subsequent to the end of the second quarter, the Company announced on July 6, 2023, the closing of a third and final tranche of $50,000 of the non-brokered debenture financing, being the issuance of 50 Debenture Units.

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 ("RSAs") 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.

The Company renewed an existing RSA for an additional four years with 60 new LounGenie units which were installed at three Caribbean sites in Q1 2023. The Company added 103 new RSA units in Q2 and at the beginning of Q3, there was an additional 101 new LounGenie units delivered to a partner site in Colorado. At December 31, 2023, the Company has 847 LounGenie units in service. The Company has been building an order book for new

LounGenie units and in Q4 2023 signed a Master Service Agreement with PYEK Group. Under the terms of the agreement, two of three new waterparks will receive 94 units for the start of their 2024 season. The Company currently has two revenue share partnerships with Cowabunga Las Vegas for a total of 91 units which were included in the new Master Service Agreement. The Company expects to add a fifth waterpark to the agreement sometime in Q1 2024.

In Q2 2023, the Company launched the development of new LounGenie software and hardware which it expected to have fully tested and trialed before year end. The Company continues to expand the software's functionality and is currently finalizing its development. Each LounGenie unit will become an IOT device ("internet of thing") that will connect to a computer gateway using the Company's existing LORA technology. The LounGenies will now provide the Company with real-time data usage information as well as enable remote deployment of new software upgrades. This plug and play solution will also allow for remote configuration and monitoring. To monitor, the Company simply logs into a private and secure portal from its Canadian head office. In addition, the new software and hardware will enable the Company to scale its deployments and grow without limitations.

The Company continues to have a very strong and favorable response to its LounGenie product and expects it could place into service up to 800-1,000 new units over the next year.

Board Addition

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 as a Director of Partnership Strategy, Sales and Activation with Oak View Group ("OVG"), the largest developer of sports & entertainment facilities in the world, with over $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. Mr. Kravis 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, 2023 $	**Year Ended December 31, 2022 $**	**Year Ended December 31, 2021 $**
Total revenue	960,408	706,918	254,939
Cost of sales	613,716	394,794	424,793
Operating costs	1,222,102	1,025,810	449,008
Net and comprehensive loss	(875,410)	(713,686)	(618,862)
Total assets	1,520,182	1,220,904	873,536
Total liabilities	3,087,798	2,233,196	1,371,414
Total equity (deficiency)	(1,567,616)	(1,012,292)	(497,878)

Shares outstanding, end of period	89,979,750	89,229,750	89,229,750
Weighted average shares outstanding	89,924,270	89,229,750	81,461,153
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, 2023	$ 306,441	$ 1,231,343	$ 58,630	$ (367,783)	$ (0.004)	89,979,750
September 30, 2023	522,538	1,238,909	487,181	(116,394)	(0.001)	89,979,750
June 30, 2023	801,248	1,213,266	322,484	(61,190)	(0.001)	89,979,750
March 31, 2023	38,028	1,306,966	92,113	(330,043)	(0.004)	89,443,794
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

Three-month periods ended December 31, 2023 and December 31, 2022

The net loss for the three-month period ended December 31, 2023 was $367,783 (December 31, 2022 –$398,623). Sales in the three-month period ended December 31, 2023 were $58,630 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, 2023 $	Three-Month Period Ended Dec. 31, 2022 $
Selling, general and administrative	91,975	165,520
Stock-based compensation	14,729	27,825
Professional fees	28,825	74,238
Investor relations and regulatory	2,288	16,593
Foreign exchange	734	(29)
Advertising and promotion	41,584	69,596
Depreciation	4,060	(4,941)
Government grant	-	-
Interest on loan payable	68,002	57,704
	252,197	406,506

Operating expenses were $252,197 for the three-month period ended December 31, 2023 (December 31, 2022 -

$406,506). The Q4 2022 selling, general and administration costs included $60,000 of consulting fees to assist with strategic initiatives and corporate structuring. Professional fees were also increased in Q4 2022, related to financings. Advertising in Q4 2023 was slightly reduced due to the timing of trade shows. The interest expense increase in Q4 2023 reflected increased interest bearing debt.

Revenue increased to $58,630 in Q4 2023 as compared to$44,573 in Q4 2022. The increase was due to a combination of more units in service, more units in seasonally favourable geographics as well as greater travel by consumers. The Company experienced significant interest in its product throughout the year, which is expected to result in significantly more units in service in 2024. Management continues to believe that these assets will deliver future profits as they enter service with its revenue share partners. Revenue sharing opportunities continue to be the driver of greater future sales.

The Cost of Sales of $174,216 in Q4 2023 was reduced compared to $220,471 in Q4 2022. While an increase in RSA units in service created increased depreciation, Q4 2022 saw a return of a number of units, resulting in a larger related disposal cost. Also, the ramp up in demand for units has increased labour costs in the COGS as compared to Q4 2022.

Years ended December 31, 2023 and December 31, 2022

The net loss for the year ended December 31, 2023 was $875,410 (December 31, 2022 - $713,686). Sales in 2023 increased substantially as compared to 2022, as did per unit revenue share revenues. Unit revenue can be affected by weather trends and patterns geographically.

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. Interest expenses in 2023 included a greater non-cash component ($100,057 vs. $40,839) than in 2022, mostly related to convertible debentures issued in the second half of 2022 and the first half of 3023.

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 2023 increased from 2022, mostly due to the non-cash component of interest expense. Otherwise, comparable costs were stable year-over year. The following table sets forth a summary of the Company’s operating expenses by category for the years:

	Year Ended Dec. 31, 2023	Year Ended Dec. 31, 2022
Selling, general and administrative	$ 517,632	$ 520,479
Stock-based compensation	92,761	55,583
Professional fees	121,106	118,579
Regulatory fees	26,918	30,429
Advertising and promotion	99,473	87,164
Depreciation	13,804	20,497
Foreign exchange	(4,684)	697
Interest on loans payable	355,092	192,382
	$ 1,222,102	$ 1,025,810

Operating expenses were $1,222,102 for the year ended December 31, 2023 (December 31, 2022 - $1,025,810). Significant differences in 2023 as compared to 2022 include:

- Interest expense includes non-cash accretion expense of $100,057 (2022 - $70,839) related mostly to the convertible debenture obligations and CERB loans. Cash interest relates to the coupon on the various loans.
- Stock-based compensation increased in 2023 due to continued expense as 2022 options vest and to options issued in 2023.

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, 2023 $	**As at December 31, 2022 $**
Cash	306,441	221,096
Working capital (deficit)	(444,362)	(819,898)

The Company's principal source of liquidity as of December 31, 2023 was cash of $306,441 (December 31, 2022 - $221,096) and receivables of $33,288 (December 31, 2022 - $33,343). The working capital at December 31, 2023 was mostly created by the increase in cash through long term debts. 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 the continued growth and expansion of 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, 2023 totaled $6,536,303. In addition, the Company had working capital deficit in the amount of $444,362 at December 31, 2023. 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, 2023 $	**As at December 31, 2022 $**
Equipment	103,512	156,140
Revenue share assets	629,689	599,793
	733,201	755,933

In 2023, the Company renewed an existing RSA for an additional four years with 60 new LounGenie units, added 248 LounGenie units under new RSA while retiring 114 units from service.

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

Liabilities

	As at December 31, 2023 $	**As at December 31, 2022 $**
Trade payables and other	182,597	258,006
Current portion of lease liability	38,746	33,464
Promissory notes	-	-
Current portion of loans	1,010,000	993,399
Current portion of convertible debt	-	-
	1,231,343	1,284,869
Lease liability	-	45,337
Loan payable	1,856,455	902,990
	3,087,798	2,233,196

In the year ended December 31, 2023, trade payables and accruals decreased 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. The Company makes quarterly payments of 45% of RSA revenue, so much of that facility is expected to be repaid in the next 12 months. Debenture loans of $1,945,000 are included as a long-term liability. Interest expense in 2023 reflects accretion of warrants issued as a cost of debt, which reports as interest expense.

Common Shares

Common Shares	**As at December 31, 2023 $**	**As at December 31, 2022 $**
Common shares	4,055,837	4,033,337

The Company issued 750,000 common shares in Q1 2023, in settlement of a debt to a related party for $22,500. The Company did not issue common shares in 2022.

Outstanding Share Data

Shares existing at the date of this MD&A and comparative shares at December 31, 2023, and December 31, 2022 are as follows:

	April 26, 2024	December 31, 2023	December 31, 2022
Shares Outstanding	89,979,750	89,979,750	89,229,750
Warrants	60,032,500	60,032,500	27,542,500
RSU's	4,650,000	4,650,000	-
Options	8,361,487	7,861,487	5,461,487
Total	163,023,737	162,523,737	122,233,737

Related Party Transactions

The following is a summary of the Company's related party transactions during the years ended December 31, 2023 and 2022, 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, 2023	December 31, 2022
Short-term employee benefits, including salaries and fees	$ 199,154	$ 224,833
Stock-based compensation	86,789	55,583
	$ 285,943	$ 280,416

Stock-based compensation of $86,789 (December 31, 2022 - $55,583) was granted to related parties via the issuance of 3,100,000 options in the year ended December 31, 2023. The Company also granted 4,600,000 RSU's to related parties and these will be expensed when vested.

Balances of $2,354 (December 31, 2022 - $62,833) were due to related parties at December 31, 2023. Debts of $22,500 were settled via the issuance of 750,000 common shares in the 2023 year.

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, 2023. 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 "LounGenie". 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 year ended December 31, 2023. 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, as evidenced by the recent outbreak of respiratory illness caused by COVID-19.

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.