



## **Management Discussion and Analysis**

**March 31, 2024**

## ***Introduction***

The following interim Management Discussion & Analysis (“Interim MD&A” or “MD&A”) of Pool Safe Inc. (the “Company” or “Pool Safe”) for the three-months ended March 31, 2024 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since the Management Discussion & Analysis (“Annual MD&A”) for the fiscal period ended December 31, 2023.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company’s Annual MD&A, audited consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited consolidated interim condensed financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this Interim 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 May 28, 2024 and information contained herein is presented as of that date, unless otherwise indicated.

## ***Additional Information***

Additional information relating to the Company is on the System for Electronic Document Analysis and Retrieval (“SEDAR+”) at [www.sedarplus.ca](http://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 PoolSafe 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 PoolSafe’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 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 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 PoolSafe 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. On March 3, 2024, the Company announced it had signed a Master Service Agreement with an operator of leisure centres across North America. The Company will provide its new partner with 313 LounGenie units across 10 of its United States-based water parks and expects to deliver these new units for the start of the 2024 water park season.

In Q2 2023, the Company launched the development of new LounGenie software and hardware which it expected to have fully tested and trialed by year end 2023. Due to the continued evolution of the software, in addition to greater functionality, the Company now expects the completion to occur immediately after the 2024 spring upgrades and new installations. Once integrated, 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 was recognized by his industry and was awarded the Gold Award of Excellence as Canada’s Top Foodservice Executive in 2014 and has been a 30-year member of the Young Presidents’ Organization.

### **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
March 31, 2024	\$ 475,228	\$ 1,248,828	\$ 102,169	\$ (457,005)	\$ (0.005)	89,979,750
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

### Three-month periods ended March 31, 2024 and March 31, 2023

The net loss for the three-month period ended March 31, 2024 was \$457,005 (March 31, 2023 - \$330,043).

Revenue increased in Q1 2024 as compared to Q1 2023 as more units were in service. The Company experienced significant interest in its product during the quarter, which is expected to result in significantly more units in service in the near future. 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.

Sales of \$102,169 in Q1 2024 increased compared to \$92,113 in Q1 2023. Revenue increased even though the first quarter is generally the Company's slowest period. 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 Cost of Sales of \$212,627 in Q1 2024 was up compared to \$121,333 in Q1 2023. Greater RSA units in service created increased depreciation. Also, the ramp up in demand for units has increased labour costs in the COGS as compared to Q1 2023. The Company provided updated software and boards, as well as new locks and doors to over 150 units in service. These upgrades increased the Q1 2024 COGS.

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

	Three-Month Period Ended Mar. 31, 2024 \$	Three-Month Period Ended Mar. 31, 2023 \$
Selling, general and administrative	134,745	113,041
Stock-based compensation	52,785	48,574
Professional fees	40,139	34,925
Investor relations and regulatory	7,596	14,781
Foreign exchange	754	(234)
Advertising and promotion	4,980	5,218
Depreciation	16,857	4,872
Gain on repayment of CERB loan	(20,000)	-
Interest on loan payable	108,691	79,646
	346,547	300,043

Operating expenses were \$346,547 for the three-month period ended March 31, 2024 (March 31, 2023 - \$300,043). Greater corporate activities were the primary drivers for the increase in operating expenses in the 2024 quarter. Significant differences in in the comparable quarters include:

- Stock-based compensation, a non-cash cost, reflects the grant of options in Q1 2024 and Q1 2023.
- Professional fees and investor relations fees were increased to assist with a corporate financing.
- Depreciation increased with a new Right of Use ("ROU") lease on a larger facility in 2024, needed for expanded operations.
- Interest expense increased as debt increased.

## 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 March 31, 2024 \$	As at December 31, 2023 \$
Cash	473,228	306,441
Working capital (deficit)	(67,559)	(444,362)

The Company's principal source of liquidity as of March 31, 2024 was cash of \$473,228 (December 31, 2023 - \$306,441) and receivables of \$33,288 (December 31, 2023 - \$33,288). The working capital at March 31, 2024 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 March 31, 2024 totaled \$6,993,308. In addition, the Company had working capital deficit in the amount of \$67,559 at March 31, 2024. 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)***

	<b>As at March 31, 2024</b>	<b>As at December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Equipment	302,206	103,512
Revenue share assets	577,740	629,689
	<u>879,946</u>	<u>733,201</u>

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.

Equipment increased in the Q1 2024 period as the Company changed premises and assumed a new lease in a larger facility, to accommodate greater growth.

## **Liabilities**

	<b>As at March 31, 2024</b>	<b>As at December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Trade payables and other	194,273	182,597
Current portion of lease liability	104,555	38,746
Current portion of loans	950,000	1,010,000
	<u>1,248,828</u>	<u>1,231,343</u>
Lease liability	107,203	-
Loan payable	2,677,020	1,856,455
	<u>4,033,051</u>	<u>3,087,798</u>

In the period ended March 31, 2024, trade payables and accruals decreased mostly related to deferred compensation, as trade payables were within 60 days. Accruals increased for interest payments and audit fees. Capital lease obligations were increased with the move to a larger facility. Debt increased with draws against the revolver credit facility. 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 2024 reflects accretion of warrants issued as a cost of debt, which reports as interest expense.



## Common Shares

Common Shares	<b>As at</b> <b>March 31, 2024</b>	<b>As at</b> <b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Common shares	<u>4,055,837</u>	<u>4,055,837</u>

The Company did not issue common shares in 2024. The Company issued 750,000 common shares in Q1 2023, in settlement of a debt to a related party for \$22,500.

## 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:

	<b>May 28, 2024</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Shares Outstanding	89,979,750	89,979,750	89,979,750
Warrants	60,032,500	60,032,500	60,032,500
RSU's	4,650,000	4,650,000	4,650,000
Options	8,361,487	7,861,487	7,861,487
Total	<u>163,023,737</u>	<u>162,523,737</u>	<u>162,523,737</u>

## Related Party Transactions

The following is a summary of the Company's related party transactions during the three-month periods ended March 31, 2024 and 2023, 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:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Short-term employee benefits, including salaries and fees	<u>\$ 73,125</u>	<u>\$ 45,019</u>
Stock-based compensation	<u>52,784</u>	<u>44,481</u>
	<u>\$ 125,909</u>	<u>\$ 89,500</u>

Stock-based compensation of \$52,784 (Q1 2023 - \$44,481) was granted to related parties via the issuance of 500,000 options in the period ended March 31, 2024 and 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 \$Nil (December 31, 2023 - \$2,354) were due to related parties at March 31, 2024. 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 period ended March 31, 2024. 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 period ended March 31, 2024. 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.