POOLSAFE

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Management Discussion and Analysis

September 30, 2022

Introduction

The following interim Management Discussion & Analysis ("Interim MD&A" or "MD&A") of Pool Safe Inc. (the "**Company**" or "**Pool Safe**") for the nine-months ended September 30, 2022 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, 2021.

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, 2021 and December 31, 2020, 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. Accordingly, information contained herein is presented as of November 24,2022, unless otherwise indicated.

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 August 25, 2022.

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. The Company 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 number of units deployed, new customers and net new units, net investment in equipment, monthly revenues and expenses, average yields, unit build costs 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

At December 31, 2020, the Company issued a $460,000 principal amount of unsecured convertible debentures (the "Debentures") and had promissory notes of $67,000 outstanding. In Q1 2021, the Company issued 3,162,000 commons shares to the holders of this debt, to extend the maturity term of the debt to May 2023. In Q2 2021, the Company issued 11,500,000 shares to extinguish the Debentures and 1,675,000 shares to extinguish the promissory notes. Further, the Company issued 871,510 shares in payment of $34,860 of accrued interest related to these debts.

At December 31, 2020, the Company reported $370,766 due to Intrexa Ltd., against a credit agreement with for a secured revolving credit facility of $1 million to be advanced in instalments. This facility enables the Company to access funds for the purchase of inventory, in addition to some working capital requirements in a manner that is very shareholder friendly. No longer constrained by access to capital, management will be able to actively move forward to conclude numerous revenue-sharing opportunities with hotels, resorts and water parks around the world. In the 2021 year, the Company repaid $188,466 and drew a further $279,400 against this facility.

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 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. 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 2020, the Company experienced a considerable slowdown due to COVID19, with many of its revenue share partners staying closed throughout the year while other were required to reduce occupancy at their facilities. In the midst of this unprecedented global pandemic, the Company partnered or sold 83 PoolSafe units while maintaining a presence at waterparks throughout North America. These results were significantly lower than the anticipated revenue share partnerships and direct sales.

In the first nine months of 2022 the Company installed 297 new units into service with revenue share partners as well as upgraded many Loungenie units, at partner sites, with a new locking system and doors. At September 30, 2022, the Company has 727 Loungenie units in service.

Change in Board of 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. Based in NYC she is the Senior Director of Partnership Strategy at 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, 2021 $	Year Ended December 31, 2020 $	Year Ended December 31, 2019 $
Total revenue	254,939	264,888	416,309
Cost of sales	424,793	241,989	276,723
Operating costs	449,008	654,480	854,100
Net and comprehensive loss	(618,862)	(631,581)	(714,514)
Total assets	873,536	670,128	824,652

Total liabilities	1,371,414	1,198,842	1,090,090
Total equity	(497,878)	(528,714)	(265,438)
Shares outstanding, end of period	89,229,750	72,021,240	65,251,239
Weighted average shares outstanding	81,461,153	71,212,008	65,251,239
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 Profit (Loss)	Profit (Loss) Per Share	Weighted Average Shares Outstanding
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)	89,229,750
September 30, 2021	245,923	733,726	169,591	(52,489)	(0.001)	89,229,750
June 30, 2021	240,935	557,021	50,679	(275,065)	(0.003)	83,672,889
March 31, 2021	8,319	1,025,678	12,802	(71,998)	(0.001)	72,021,239
December 31, 2020	34,742	964,661	35,628	(310,408)	(0.004)	72,021,239

Three-month periods ended September 30, 2022 and September 30, 2021

The net loss for the three-month period ended September 30, 2022 was $170,515 (September 30, 2021 – loss of $52,489).

The Company recorded a record quarterly revenue in the 2022 quarter as business ramped up toward normal operation levels. The Company experienced significant interest in its product during the quarter, which is expected to result in substantially 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. The Company expects the environment for its product to ramp-up considerably as their revenue share partners are projecting a strong 2022 season versus the 2021 season ramp-up and the dramatically reduced occupancy and closures at their properties during the COVID-19 pandemic. The pandemic had created a lot of uncertainty and lack of visibility. Revenue sharing opportunities continue to be the driver of greater future sales.

Sales and margins in the most recent three-month period reflect the receipts from revenue share assets. During the September 2022 quarter, the Company delivered and installed 163 new revenue share units, while 14 units were returned for future deployment. Revenue has recovered significantly as compared to 2021, when it was well below the anticipated sales level, as COVID-19 related deferrals and shut-downs affected the entire industry.

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

	Three-Month Period Ended September 30, 2022 $	Three-Month Period Ended September 30, 2021 $
Selling, general and administrative	151,741	85,319
Stock-based compensation	27,758	-
Professional fees	20,720	6,880
Investor relations and regulatory	5,754	3,639
Foreign exchange	397	(265)
Advertising and promotion	13,914	4,391
Depreciation	7,721	1,000
Government grant – CEBA	-	(18,325)
Interest on loan payable	53,964	37,374
	281,969	120,013

Operating expenses were $281,969 for the three-month period ended September 30, 2022 (September 30, 2021 - $120,013). The most significant differences in the 2022 quarter were the return of salaries to the Company's CEO and COO, 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. Government COVID-19 grants and assistance were discontinued in 2022. The September 2021 period expense reflects the care and maintenance nature of the business, until COVID restrictions enabled the hospitality and leisure businesses to return to a more normal operating environment. Senior staff worked at a reduced salary during the September 2021 quarter to preserve cash. The government grant reflects subsidies received. Public company fees reflect filing fees with regulators incurred during the quarters.

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 $27,758 related to the grant. 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 September 2021 quarter.

Nine-month periods ended September 30, 2022 and September 30, 2021

The net loss for the nine-month period ended September 30, 2022 was $315,063 (September 30, 2021 - $399,552).

COVID reduced revenues in 2021 and only recently have the revenue returned to a more normal level. 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 $71,324. Interest rates in 2022 benefited from less non-cash expense amounts ($22,598 vs. $92,508) than in 2021. Most of the 2021 non-cash interest related to conversion of convertible debentures.

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 September 30, 2022 $	As at December 31, 2021 $
Cash	291,301	28,906
Working capital	(1,433,877)	(1,036,977)

The Company's principal source of liquidity as of September 30, 2022 was cash of $291,301 (December 31, 2021 - $28,906) and prepaids and receivables of $216,754 (December 31, 2021 - $31,058). The negative working capital at September 30, 2022 was mostly created by the debts, which mature or become payable 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. In order to meet projected future demand, the Company will require substantial capital to fund the growth in the business. The Company plans to continue to monitor closely its use of its available cash.

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 a 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 September 30, 2022 totaled $5,262,270. In addition, the Company had a working capital deficit in the amount of $1,433,877 at September 30, 2022. There are no assurances that the Company will be successful in achieving these goals. These circumstances would 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 September 30, 2022 $	As at December 31, 2021 $
Equipment	169,550	209,778
Revenue share assets	657,825	407,008
	827,375	616,786

In Q1 2022, the Company upgraded 167 Loungenie units 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 September 30, 2022, the Company had 727 units in service. Subsequent to the quarter, a further 60 new Loungenie units were delivered to its partner's site.

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

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

Liabilities

	As at September 30, 2022 $	**As at December 31, 2021 $**
Trade payables and other	259,684	202,301
Current portion of lease liability	34,164	36,355
Promissory notes	-	20,000
Current portion of loans	1,896,572	1,035,071
	2,190,420	1,293,727
Lease liability	53,101	77,687
	2,273,521	1,371,414

In the period ended September 30, 2022, trade payables and accruals decreased as loan proceeds were used to make payments. Capital lease obligations were reduced as the term of the lease progressed. Debt increased with draws against the revolver credit facility and a new loan, while all promissory notes were repaid. At this time, all loans are due in the next twelve months. Interest expense in both periods reflects accretion of the equity portion of the debenture and of warrants issued as a cost of debt, which reports as interest expense.

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 September 30, 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 September 30, 2022 and December 31, 2021, are as follows:

	November 24, 2022	**September 30, 2022**	**December 31, 2021**
Shares Outstanding	89,229,750	89,229,750	89,229,750
Warrants	27,542,500	23,837,500	10,920,000
Options	5,461,487	5,461,487	5,100,000
Total	122,233,737	118,528,737	105,249,750

Subsequent to September 30, 2022, the Company announced a further $130,000 of debenture financing. The Company issued a further 3,705,000 warrants on the same basis as those issued for the first tranche of the offering.

Related Party Transactions

The following is a summary of the Company's related party transactions during the periods ended September 30, 2022 and September 30, 2021, and outstanding as of those dates:

Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board and corporate officers as follows:

- Before December 31, 2020 – David Berger, Steven Mintz and Steven Glaser;
- Since August 12, 2021 – Gillian Deacon; and
- Since August 30, 2022, Nils Kravis.

Compensation provided to key management is as follows:

	September 30, 2022	**September 30, 2021**
Short-term employee benefits, including salaries and fees	$ 72,000	$ 66,462
Stock-based compensation	-	-
	$ 72,000	$ 66,462

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 $27,758 was granted to the incoming Executive Chairman in 2022.

Balances of $Nil (December 31, 2021 - $35,663) were due to related parties at September 30, 2022.

The $70,000 promissory note was issued to a relative of a director of the Company and a promissory note for $16,500 was issued to an officer of the Company. Both notes were repaid as at September 30, 2022.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in Note 3 to the financial statements for the period ended September 30, 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 September 30, 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.