POOLSAFE

YOUR PERSONAL POOLSIDE ATTENDANT

Management Discussion and Analysis

December 31, 2018

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, 2018. This MD&A should be read in conjunction with the Company's consolidated financial statements for its years ended December 31, 2018 and December 31, 2017, 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, 2018 and December 31, 2017 were prepared in accordance with International Financial Reporting Standards ("**IFRS**").

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

During the year ended December 31, 2017, the Company became a reporting issuer in Ontario, British Columbia and Alberta as explained in the Overview section. The common shares of the Company are listed for trading on the TSX-Venture Exchange (the "**TSX-V**") under the trading symbol **POOL**. This MD&A is dated as of April 25, 2019.

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.

Pool Safe manufactures and sells a product known as the "PoolSafe", which functions as a multi-purpose safe, contains a solar-powered charger for USB compatible devices including phones, cameras and tablets as well as a server call-button and a beverage cooler and holders. The PoolSafe product is targeted towards the owners and operators of hotels, resorts, waterparks and cruise ships, and is designed to provide their ultimate consumers with security, convenience and guest services.

Specifically engineered for its safety benefits, the PoolSafe is a feature rich device installed with the purpose of providing guests value added luxuries and peace of mind. Service call buttons installed on each PoolSafe enhance the pool and beach experience and alert services staff to guest needs. The cost of the product is quickly recovered and provides additional revenue including PoolSafe rental fees, increased food and beverage orders and optional media advertising. PoolSafe will continue to add new services to its already feature rich design.

The Company earns revenues through direct sales of the PoolSafe as well as through a revenue-share partnership where there is no upfront capital cost to Pool Safe's customer. With this, Pool Safe also offers a DBS system, which is a touch screen application installed in the customers' food and beverage area. The touch screen alerts their staff when a guest has pressed the PoolSafe call button. Each PoolSafe is unique, thus enabling Pool Safe's customers to respond directly to their own customer needs. Pool Safe continues to develop its tablet and app product, an application that connects directly to the Point of Sale ("**POS**") system of the resort. This allows guests to place their own food and beverage orders directly as well as gain access to other amenities offered at the resorts location. The application is specific to each PoolSafe unit. The PoolSafe also provides for branding and customization opportunities. Each PoolSafe can be equipped with a branded lift-lid and a media wrap which will enable the Company to generate revenue while enhancing brand awareness.

In May 2018, the Company signed a financing agreement which would allow the Company to build, deliver and install its Internet of Things ("**IoT**") connected PoolSafe product with revenue share partners around the world.

During the previous 12 months, Pool Safe has been developing new hardware and software technology which enables two-way communication between the PoolSafe, its data base gateway and the Cloud. As an IoT enabled appliance, the PoolSafe can collect usage information and deposit it into an archive in the Cloud, for later mining and monetization. For the Company's portfolio of current and future revenue share partnerships, the PoolSafe'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, is embedded with the PoolSafe solutions, and does not require the property to add or make changes to their current infrastructure.

The Company changed its financial year end to December 31 beginning with the financial year ended December 31, 2016.

Key Performance Indicators

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

Recent Events

On July 18, 2016, the Company entered into a letter of intent ("**LOI**") with Pounder Venture Capital Corp. ("**Pounder**") relating to a proposed business combination involving Pounder and Pool Safe. The transaction constituted an arm's-length qualifying transaction for Pounder, as defined in Policy 2.4 of the TSX Venture Exchange. The Company issued 1,786,923 common shares to acquire Pounder. The Company issued 1,704,892 common shares in settlement of $192,994 of Pounder liabilities assumed.

On April 19, 2017, the Company issued 11,052,040 units for cash proceeds of $1,251,250 (proceeds net of broker cash fees of $48,394, and legal and other costs of $139,154, were $1,063,702). Each unit was comprised of one common share and one half of one common share purchase warrant. Each whole share warrant can be converted into one common share at an exercise price of approximately $0.18 for a period until April 18, 2019.

During 2018, the Company issued a $460,000 principal amount of unsecured convertible debentures (the "Debentures"). The Debentures bear interest at a rate of 10% per annum, calculated annually and matures on February 8, 2020 ($300,000), May 11, 2020 ($125,000) and June 21, 2020 ($35,000).

For Debentures with a face value of $310,000, each $0.11 of the principal amount of the Debentures is convertible into one Purchase Unit ("Unit"). Each Unit is exercisable to purchase one Common Share and one-half Common Share warrant at a price of $0.11 per Common Share for a period of two years following issuance. Each full warrant can be exercised for one Common Share at a price of $0.15 for a period of two years following the issuance of the Note. The securities issued in connection with the loan are subject to a statutory four month hold period from the date of issuance. The Company issued 196,364 broker warrants in connection with these Debentures. Each broker warrant is exercisable into one share and one-half common share purchase warrant at a price of $0.11. Each full warrant can be exercised for one share at a price of $0.15. The broker warrants expire February 8, 2020.

For the Debentures with a face value of $150,000, each $0.11 of the principal amount is convertible into one share. This series of debentures were issued with 681,750 warrants. Each of these warrants is exercisable into one Common Share at a price of $0.15 for two years from the date if issuance of the debenture.

In May 2018, the Company signed a financing agreement with Commercial Funding Group ("**CFG**") which will enable the Company to build, deliver and install its IoT Connected PoolSafe product with revenue share partners around the world. The arrangement is intended to provide up-front capital to leverage product placement.

During the three-month period ended September 30, 2018, the Company raised $395,011 via a private placement of 5,643,020 units. Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of 12 cents for a period of 24 months following the closing date of the offering, subject to an acceleration right in favour of the company. The Company paid a cash commissions and other expenses totaling $21,515 and granted 81,143 finder's warrants. Each finder's warrant entitling the holder thereof to acquire one unit at a price of 12 cents per unit for a period of 24 months following the closing date of the offering. The Company settled outstanding litigation via a share issuance of 3,400,000 at an ascribed value of $289,000. Legacy debt of $19,080 was also settled via a share issuance of 173,456 shares.

In November 2018, the Company closed the final tranche of $120,750 of its previously announced private placement through the issuance of 1,725,000 units. In connection with the closing of this tranche, the company paid certain eligible persons cash commissions totaling $4,991 and granted 80,800 finder's warrants to acquire common shares. Insiders of the Company subscribed to 1,525,000 units of this financing.

Subsequent to December 31, 2018, the Company:

Entered into a revenue-sharing partnership with one of Las Vegas's premier global resort and casino operators. Under the terms of the agreement, the Company provided and deployed 34 PoolSafes in all the cabanas of the Las Vegas-based property. AS with all revenue-sharing agreements, the Company financed the production, delivery and integration of the PoolSafes at the property. In return, the PoolSafes will be deployed in VIP seating locations, with the company receiving 60 per cent of the daily rental revenues. Based upon historical revenue increases generated from similar high-end locations, Pool Safe expects to install many more PoolSafe units to other properties owned by the resort operator over the course of the year.

Completed a credit agreement with Intrexa Ltd. for a secured revolving credit facility of $1-million to be advanced in instalments. This facility enables the Company to access its working capital needs in a manner that is very shareholder friendly. No longer constrained by access to working capital, management will be able to actively move forward to conclude numerous revenue sharing opportunities with hotels, resorts and water parks around the world.

Selected Financial Information

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

	Year Ended December 31, 2018 $	Year Ended December 31, 2017 $	Six-Month Period Ended December 31, 2016 $
Total revenue	372,660	445,153	34,944
Cost of sales	285,511	354,882	52,665
Operating costs	1,083,685	1,362,471	238,373
Net and comprehensive loss	(996,536)	(1,272,268)	(256,094)
Total assets	977,314	641,048	532,721
Total liabilities	608,672	231,943	475,611
Total equity	368,642	409,105	57,110
Shares outstanding, end of period	65,251,239	54,309,763	39,765,908
Weighted average shares outstanding	57,030,627	50,006,376	39,681,040
Net loss per share	(0.02)	(0.03)	(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, 2018	$ 146,838	$ 195,548	$ 55,262	$ (203,631)	$ (0.003)	57.030,827
September 30, 2018	365,343	310,326	118,480	(384,317)	(0.007)	55,231,771
June 30, 2018	710	195,577	108,102	(220,502)	(0.004)	54,309,763
March 31, 2018	69,744	170,318	90,816	(188,086)	(0.004)	54,309,763
December 31, 2017	68,003	231,943	136,063	(246,541)	(0.005)	50,006,376
September 30, 2017	136,650	208,314	182,206	(140,128)	(0.003)	54,309,763
June 30, 2017	325,496	232,031	92,050	(865,246)	(0.019)	44,471,403
March 31, 2017	2,555	297,702	34,766	(20,353)	(0.001)	39,765,908

Note: Shares outstanding and earnings per share have been adjusted to reflect the share exchange ratio per the Pounder Venture Capital Corp. acquisition on April 18, 2017.

Three-month periods ended December 31, 2018 and December 31, 2017

The net loss for the three-month period ended December 31, 2018 was $203,631 (December 31, 2017 - $246,541). Sales in Q4 2018 reflect lower unit sales as the Company focuses on higher margin revenue share placements. The net loss was reduced through a lower cost of sales and slightly reduced operating costs in the 2018 quarter.

Years ended December 31, 2018 and December 31, 2017

The net loss for the year ended December 31, 2018 was $996,536 (December 31, 2017 - $1,272,268). Sales in 2018 were reduced as the Company focused on higher margin revenue share placements and did not actively pursue unit sales. Sales and margins in the early part of the 2017 were negatively affected by a lack of invested capital. The Company has experienced an increased interest from a number of potential customers for revenue share units for the 2019 year.

Pool Safe continues to see greater interest from the hotel, resort and waterpark customers as represented in the sales growth, quarter over quarter. 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 2018 were reduced from 2017. The following table sets forth a summary of the Company's operating expenses by category for the years:

	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017
Selling, general and administrative	$ 456,136	$ 607,969
Stock-based compensation	107,964	199,777
Public listing fee	-	459,885
Professional fees	105,590	34,469
Litigation settlement	289,000	-
Regulatory fees	8,903	28,543
Advertising and promotion	40,341	37,443
Depreciation	2,117	2,652
Foreign exchange	6,225	(1,173)
Gain on debt repayment	(4,336)	(17,018)
Interest on loans payable	75,745	9,924
	$ 1,083,685	$ 1,362,471

Operating expenses were $1,083,685 for the year ended December 31, 2018 (December 31, 2017 - $1,362,471). Significant differences in 2018 as compared to 2017 include:

- Selling, general and administration cost in 2017 reflects a one-time bonus payment related to publicly listing the Company.
- Stock based compensation is a non-cash expense. The 2018 expense reflects reduced grants as compared to 2017.
- Public listing fees of $459,885 were a one-time item in 2017, to secure a public listing.
- Professional fees of $98,908 related to litigation costs and general corporate governance.
- The litigation settlement was a one-time non-cash cost as it was paid in shares.
- The gain on repayment of debt reflects debts repaid with shares at market value.
- Interest mostly reflect the convertible debenture obligations in 2018, of which $30,195 was accretion expense and non-cash. Cash interest relates to the 8% coupon on convertible debentures and on the business loan which was repaid in 2018.

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, 2018 $	**As at December 31, 2017 $**
Cash	146,838	68,003
Working capital	219,045	7,618

The Company's principal source of liquidity as of December 31, 2018 was cash of $146,838 (December 31, 2017 - $68,003) and prepaids and receivables of $129,675 (December 31, 2017 - $63,577). While Management believes that the combination of debenture financings, and financing arrangement for future product sales leaves 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 may require substantial additional capital to fund additional growth in the business.

Other Assets (net)

	As at December 31, 2018 $	**As at December 31, 2017 $**
Patent and design costs	222,994	149,928
Equipment	166,367	179,788
Revenue share assets	128,606	71,771
	517,967	401,487

Equipment represents manufacturing equipment and moulds. Revenue share assets are PoolSafe units placed in to service on a revenue sharing basis. Patent and design costs increased in the 2018 year with the investment to develop a proprietary cloud-based audit system for the next generation product.

Liabilities

	As at December 31, 2018 $	**As at December 31, 2017 $**
Trade payables and other	154,115	200,086
Current portion of long term debt	-	31,857
Deferred revenue	10,797	-
Obligation under capital lease	66,710	-
Long term portion of long term debt	377,050	-
	608,672	231,943

In 2018, cash was used to reduce trade payables and other liabilities. Also, shares were issued to satisfy $19,080 of liabilities. Other trade payable and accrual activity was normal course business. Debt repayments of $31,857 were made in 2018 as the balance of the loan was repaid. The Company entered a lease transaction in the amount of $78,000 during May 2018. Lease repayments of $11,290 were made in the period. Long term debt increased as the Company issued a $460,000 principal amount of unsecured convertible promissory notes (the "Notes") in tranches of $300,000, $125,000, and $35,000. The Notes will bear interest at a rate of 10% per annum, calculated annually, paid out quarterly in arrears. The Notes are convertible into equity of the Company as described in the Recent Events section. The securities issued in connection with the loan are subject to a statutory four month hold period from the date of issuance. The proceeds of the Financing will be used for general working capital purposes.

The debentures are classified as a liability, with the exception of the portion relating to the conversion feature, which is valued and classified as equity. The equity portion of these debts totals $30,300. The equity amount and costs of the issuances result in the carrying value of the debenture being less than face value. The discount is being accreted over the term of the debentures utilizing the effective interest rate method at a 22.2% discount rate. An amount of $30,195 was recorded as accretion interest expense on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2018.

Common Shares

	As at December 31, 2018 $	As at December 31, 2017 $
Common shares	3,074,649	2,310,674

During 2018 the Company:

- issued 5,643,020 units for net cash proceeds of $373,496 in September 2018.
- issued 173,456 shares at an ascribed value of $14,744 to settle $19,080 of debt in September 2018.
- issued 3,400,000 shares at an ascribed value of $289,000 to settle litigation in September 2018.
- issued 1,725,000 shares for net cash proceeds for $115,59 in November 2018.

Outstanding Share Data

As at December 31, 2018 the Company had 65,251,239 common shares outstanding (December 31, 2017 - 54,309,763 common shares outstanding).

For the Qualifying Transaction, each Pool Safe common share outstanding at March 31, 2017 and December 31, 2016, being 1,420,211 common shares, were exchanged for 39,765,908 shares in Pounder. In addition, debt of $192,994 was converted into 1,704,892 shares in Pounder. Gross proceeds of approximately $1.25 million were raised through the issue of units and subscription receipts. These units and subscription receipts were exchanged for 11,038,040 shares and 5,519,020 warrants in Pounder. Broker warrants were also issued to Echelon Wealth Partners Inc. pursuant to the financing, which are exercisable into 427,476 units, with each unit comprising one common share in Pounder and a one half of one common share purchase warrant in Pounder. Immediately prior to the Qualifying Transaction, Pounder's issued and outstanding share capital consisted of 1,786,923 common shares.

Fully diluted share data at the date of this MD&A and comparative fully-diluted shares at December 31, 2018 and December 31, 2017, adjusted for the share exchange, are as follows:

	April 25, 2019	December 31, 2018	December 31, 2017
Shares Outstanding	65,251,239	65,251,239	54,309,763
Warrants	7,002,638	10,677,563	5,953,496
Shares reserved for issuance on conversion of Convertible debentures and related warrants	5,590,9090	5,590,909	-
Options	5,350,000	5,350,000	4,429,942
Total fully-diluted shares	83,194,786	86,869,711	64,693,201

Related Party Transactions

The following is a summary of the Company's related party transactions during the year ended December 31, 2018 and December 31, 2017, and outstanding as of those dates:

On September 9, 2016, the Company received an unsecured loan in the amount of $50,000 from 2151089 Ontario Inc. The principal amount bears interest at a rate of 10% per annum. On October 24, 2016, the Company received a second unsecured loan in the amount of $50,000, from 2151089 Ontario Inc. The principal amount bore interest at a rate of 10% per annum. 2151089 Ontario Inc. is wholly owned by Carolyn Berger, who is the spouse of David

Berger, a Director and the CEO of the Company. These loans and associated interest were repaid in the year ended December 31, 2017.

On November 9, 2016, the Company received an unsecured loan in the amount of $40,000 from Steven Mintz. On January 20, 2017, a further $10,000 was received. The principal amount bore interest at a rate of 3% per annum. Steven Mintz is a Director and the Chief Financial Officer of the Company. These loans and the associated interest were repaid in the year ended December 31, 2017.

On November 26, 2018, the Company issued 1,725,000 units for gross proceeds of $120,750. Insiders purchased 1,525,000 of these units.

Of the total of $460,000 of convertible debentures issued in the year $150,000 was issued to executive officers and directors of the Company.

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, 2018	December 31, 2017
Short-term employee benefits, including salaries and fees	$ 250,000	$ 196,788
Stock-based compensation	90,917	189,733
Sub-contractors	-	3,150
	$ 340,917	$ 389,671

Change of Director

On March 15, 2018, D. Campbell Deacon resigned from the Board of Directors and was replaced by Russel H. McMeekin. On August 15, 2018 Mohammed Alhadi resigned from the Board of Directors and was replaced by Robert Pratt.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in Note 3 to the financial statements for the period ended December 31, 2018. 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 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, 2018. 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.

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 as of 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.