POOLSAFE

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Management Discussion and Analysis

September 30, 2018

The following interim Management Discussion & Analysis ("Interim MD&A") of Pool Safe Inc. (the "**Company**" or "**Pool Safe**") for the three months and nine months ended September 30, 2018 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, 2017.

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, 2017, and December 31, 2016, 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 28, 2018, 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 Pool Safe'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**.

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 the three-month period ended March 31, 2018, the Company issued a $300,000 principal amount of unsecured convertible promissory note (the "**Note**"). The Note will bear interest at a rate of 10% per annum, calculated annually and matures on February 8, 2020. Each $0.11 of the principal amount of the Note is convertible into one Common Share purchase warrant ("**Warrant**"). Each Warrant is exercisable to purchase one Common Share at a price of $0.11 per Common Share for a period of two years following the issuance of the Note. The Company issued 160,000 broker warrants in connection with the $300,000 tranche. Each broker warrant is exercisable until February 8, 2020 into one common share and one-half common share purchase warrant at a price of $0.11. Each full purchase warrant can be exercised into one share at a price of $0.15. 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.

During the three-month period ended June 30, 2018, the Company closed further tranches of debenture financing. The Company issued 125 $1,000 convertible debenture units for gross proceeds of $125,000 on May 11, 2018. A further $35,000 was closed on June 21, 2018. The debentures bear interest from the date of closing at 10% per annum, payable quarterly and will mature two years following the closing date (the "Maturity Date"). 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 the issuance of the Note. Each Debenture also allows the issuer to purchase 4,545 common shares of the Company at a price of $0.15 per share for a period of two years from the date 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 totaling $5,680 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.

Subsequent to September 30, 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 $5,656 and granted 80,800 finder's warrants to acquire common shares. Insiders of the Company subscribed to 1,525,000 units of this financing.

Selected Financial Information

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

	Year Ended December 31, 2017 $	Six-Month Period Ended December 31, 2016 $	Year Ended June 30, 2016 $
Total revenue	445,153	34,944	60,569
Cost of sales	354,882	52,665	32,111
Operating costs	1,362,471	238,373	396,273
Net and comprehensive loss	(1,272,268)	(256,094)	(367,815)
Total assets	641,048	532,721	519,007

Total liabilities	231,969	475,611	255,803
Total equity	409,105	57,110	263,204
Shares outstanding, end of period	54,309,763	39,765,908	39,051,600
Weighted average shares outstanding	50,006,376	39,681,040	36,459,472
Net loss per share	(0.03)	(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 Gain (Loss)	Gain (Loss) Per Share	Weighted Average Shares Outstanding
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)	54,309,763
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
December 31, 2016	10,751	303,754	19,675	(136.981)	(0.003)	39,681,040

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.

<u>Three-month period ended September 30, 2018 compared to the three-month period ended September 30, 2017</u>

The net loss for the three-month period ended September 30, 2018 was $384,317 (September 30, 2017 - $140,128). Sales and margins in the most recent three-month period were positively affected by revenue share assets put in place over the previous 12 months.

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

	Three-Month Period Ended Sept. 30, 2018 $	Three-Month Period Ended Sept. 30, 2017 $
Selling, general and administrative	121,389	152,186
Stock-based compensation	17,658	44,868
Public listing fee	-	3,357
Professional fees	12,324	7,706
Litigation settlement	289,000	-
Investor relations and regulatory	1,713	3,170
Foreign exchange	2,856	31,532
Advertising and promotion	219	477
Depreciation	529	442
Gain on debt repayment	(4,336)	-
Interest expense	20,343	837
	461,695	244,575

Operating expenses were $461,695 for the three-month period ended September 30, 2018 (September 30, 2017 - $244,575). The 2018 expenses reflect a one-time payment via issuance of shares of $289,000, to settle litigation.
Interest costs relate to the convertible debt issued in 2018, of which $11,285 is a non-cash accretion of the liability.

Nine-month period ended September 30, 2018 compared to the nine-month period ended September 30, 2017

The net loss for the nine-month period ended September 30, 2018 was $792,905 (September 30, 2017 - $1,025,727). The 2017 period was affected by a one-time go-public cost. Reduced stock-based compensation was partly offset by increased legal costs in 2018, related to the settlement of litigation.

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, 2018 $	As at December 31, 2017 $
Cash	365,343	68,003
Working capital	342,531	18,592

The Company's principal source of liquidity as of September 30, 2018 was prepaids and receivables of $213,640 compared to $63,577 as of December 31, 2017. While Management believes that the combination of the going public transaction completed April 24, 2017, 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 September 30, 2018 $	As at December 31, 2017 $
Patent and design costs	225,998	149,928
Equipment	169,722	179,788
Revenue share assets	149,135	71,771
	544,855	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 September 30, 2018 period with the investment to develop a proprietary cloud-based audit system for the next generation product.

Liabilities

As at September 30, 2018 $	As at December 31, 2017 $

Trade payables and other	310,326	200,086
Current portion of long term debt	-	31,857
Obligation under capital lease	72,432	-
Long term portion of long term debt	392,282	-
	775,040	231,943

Trade payables and other liabilities increased from development costs incurred late in the period. Debt repayments of $31,857 were made in the nine-month period ended September 30, 2018. The Company entered a lease transaction in the amount of $78,000 during May 2018. Lease repayments of $5,568 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 as described in the Recent Events section. 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, resulting in the carrying value of the debenture being less than face value. The equity portion of these debts totals $32,752. 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 $22,571 was recorded as accretion expense on the consolidated statements of loss and comprehensive loss for the nine-month period ended September 30, 2018.

Common Shares

	As at September 30, 2018 $	**As at December 31, 2017 $**
Common shares	2,978,916	2,310,674

During September 2018 the Company:

- issued 5,643,020 units for net cash proceeds of $385,907 in September 2018.
- issued 3,400,000 shares at an ascribed value of $289,000 to settle litigation.
- Issued 173,456 shares at an ascribed value of $14,744 to settle $19,080 of debt.

Subsequent to September 30, 2018 the Company:

- Issued 1,725,000 units for cash proceeds of $120,750. The units comprised one common share and one half of one common share purchase warrant. The Company issued 80,800 finder's warrants related to this financing. Insiders purchased 1,525,000 of the units issued in this financing.

Outstanding Share Data

As at September 30, 2018 the Company had 63,526,239 common shares outstanding (December 31, 2017 - 54,309,763 common shares outstanding). As at the date of this Interim MD&A, the Company had 63,526,239 common shares issued and 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.

Shares existing at the date of this MD&A and comparative shares at September 30, 2018 and December 31, 2017, adjusted for the share exchange, are as follows:

	November 28, 2018	**September 30, 2018**	**December 31, 2017**
Shares Outstanding	65,251,239	63,526,239	54,309,763
Warrants	10,686,649	9,743,349	5,953,496
Convertible debentures	4,181,819	4,181,819	-
Options	4,800,000	4,800,000	4,429,942
Total	84,919,707	82,251,407	64,693,201

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:

	Sept. 30, 2018	**Sept. 30, 2017**
Short-term employee benefits, including salaries and fees	$ 192,308	$ 139,096
Stock-based compensation	78,815	156,251
Sub-contractors	-	3,150
	$ 271,123	$ 298,497

Critical Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in Note 2 to the financial statements for the period ended December 31, 2017. 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 period ended September 30, 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.

Internal Control over Disclosure and Financial Reporting

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is accumulated and communicated to the Company's Chief Executive Officer and Chief Financial Officer to allow for timely decisions regarding required disclosure and to ensure that information required to be disclosed in the Company's annual and interim filings and other reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified therein.

As of September 30, 2018, management evaluated the effectiveness of our disclosure controls and procedures as defined under the Canadian Securities Administrators' National Instrument 52-109– *Certification of Disclosure in Issuers' Annual and Interim Filings*. This evaluation was performed under the supervision of, and with the participation of the Company's Chief Executive Officer and Chief Financial Officer. Based in the evaluation conducted as at September 30, 2018, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2018.

Changes in Internal Control over Financial Reporting

To the best of management's knowledge and belief, no changes were made in the Company's internal control over financial reporting in the three-month period ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

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.