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CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Pool Safe Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Pool Safe Inc.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS)

Pool Safe Inc.
Consolidated Interim Condensed Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

AS AT	Note	March 31, 2017 (unaudited)	December 31, 2016
ASSETS			
Current			
Cash and cash equivalents		$ 2,555	$ 10,751
Prepaids and other receivables	4	16,992	27,669
Inventory	5	12,937	10,933
		32,484	49,353
Patent design and costs	7	183,974	187,847
Equipment	6	158,939	161,942
Revenue share assets	8	126,900	133,579
TOTAL ASSETS		$ 502,297	$ 532,721
LIABILITIES AND EQUITY			
Current			
Trade payables and other liabilities	9	$ 241,626	$ 247,678
Current portion of long-term debt	10	56,076	56,076
Total current liabilities		297,702	303,754
Long-term debt		167,838	171,857
Total liabilities		465,540	475,611
Going concern	2(a)		
Guarantee	10		
Commitments and contingencies	13		
Subsequent event	18		
Shareholders' Equity			
Share capital		980,470	980,470
Accumulated deficit		(943,713)	(923,360)
Total equity		36,757	57,110
TOTAL LIABILITIES AND EQUITY		$ 502,297	$ 532,721

These financial statements are approved on behalf of the Board of Directors:

(Signed) *"David Berger"*
Director

The accompanying notes are an integral part of these financial statements

Pool Safe Inc.

Consolidated Interim Condensed Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Note		Three months ended March 31, 2017		2016
Revenue		$	34,766	$	20,335
Cost of Sales			20,351		18,813
Gross Profit			14,415		1,522
Expenses					
Selling, general and administrative			30,035		74,033
Professional fees			2,763		16,135
Regulatory fees			-		-
Advertising and promotion			63		5,196
Depreciation			477		25,630
Foreign exchange			258		(6)
Interest on loan payable			1,173		1,984
			34,768		122,972
Net and comprehensive loss		$	(20,353)	$	(121,450)
Weighted average number of outstanding shares, basic	15		1,420,211		1,311,414
Basic loss per share	15	$	(0.01)	$	(0.09)
Weighted average number of outstanding shares, diluted	15		1,420,211		1,311,414
Diluted loss per share	15	$	(0.01)	$	(0.09)

The accompanying notes are an integral part of these financial statements

Pool Safe Inc.

Consolidated Interim Condensed Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)
(Unaudited)

	Note	Number of shares	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total
Balance at June 30, 2015		1,228,883	$ 605,470	$ -	$ -	$ (299,451)	$ 306,019
Shares issued via private placement - July 15, 2015		10,203	20,000	-	-	-	20,000
Shares issued via private placement - August 4, 2015.		25,511	50,000	-	-	-	50,000
Shares issued via private placement - October 23, 2015		25,511	50,000	-	-	-	50,000
Net loss		-	-	-	-	(98,723)	(98,723)
Balance at December 31, 2015		1,290,108	725,470	-	-	(398,174)	327,296
Shares issued via private placement - January 15, 2016		25,511	50,000	-	-	-	50,000
Shares issued via private placement - March 31, 2016		38,265	75,000	-	-	-	75,000
Net loss		-	-	-	-	(121,450)	(121,450)
Balance at March 31, 2016		1,353,884	850,470	-	-	(519,624)	330,846
Shares issued via private placement - June 9, 2016		40,816	80,000	-	-	-	80,000
Shares issued via private placement - July 22, 2016		25,511	50,000	-	-	-	80,000
Net loss		-	-	-	-	(403,736)	(403,736)
Balance at December 31, 2016		1,420,211	$ 980,470	-	-	(923,360)	57,110
Net loss		-	-	-	-	(20,353)	(20,353)
Balance at March 31, 2017		1, 420,211	$ 980,470	$ -	$ -	$ (943,713)	$ 36,757

The accompanying notes are an integral part of these financial statements

Pool Safe Inc.
Consolidated Interim Condensed Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Three months ended March 31, 2017	2016
Operating activities			
Net loss		$ (20,353)	$ (121,450)
Items not affecting cash:			
Depreciation		13,555	25,630
		(6,798)	(95,820)
Net changes in non-cash working capital:			
Increase (decrease) in prepaids and other receivables		10,677	(5,354)
Increase inventory		(2,004)	-
Increase (decrease) in trade payables and other liabilities		(6,052)	(29,195)
Cash flows used in operating activities		(4,177)	(130,369)
Investing activities			
Purchase of equipment		-	-
Purchase of patent and design costs, net of tax credits	7	-	(1,630)
Cash flows used in investing activities		-	(1,630)
Financing activities			
Repayment of long-term debt		(14,019)	(70,699)
Proceeds from long-term debt		10,000	-
Proceeds from issuance of share capital		-	245,000
Cash flows provided by (used in) financing activities		(4,019)	174,301
Net change in cash		(8,196)	42,302
Cash - beginning of period		10,751	12,226
Cash - end of period		$ 2,555	$ 54,528

The accompanying notes are an integral part of these financial statements

1. Nature of business

Pool Safe Inc. ("PoolSafe" or the "Company"), was incorporated under the Business Corporations Act (Ontario) on October 27, 2011. PoolSafe is an exclusive product which offers security, convenience and guest services all bundled in one product. Pool Safe's head office located at 401 Magnetic Drive, Unit 14, Toronto, Ontario, M3J 3H9.

Effective December 31, 2016, the financial year end of the Company changed from June 30 of each year to December 31.

2. Basis of presentation

(a) Going concern

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity or debt financing or through the sale of its products to at a profit. Since inception the Company has incurred losses which as of March 31, 2017 totals $943,713 (December 31, 2016 - $923,360). In addition, the Company has a working capital deficiency in the amount of $265,218 (December 31, 2016 – $254,401). There are no assurances that the Company will be successful in achieving these goals. These circumstances cast significant doubt on the Company's ability to continue as going concern and ultimately on the appropriateness of the use of the accounting principles applicable to a going concern. The 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.

(b) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These consolidated interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The same accounting policies and methods of computation are followed in these consolidated interim condensed financial statements as compared with the most recent annual consolidated financial statements as at and for the period ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2017 could result in restatement of these consolidated interim condensed financial statements.

The policies applied in these unaudited consolidated interim condensed financial statements are based on IFRS issued and outstanding as of May 24, 2017, the date the Board of Directors approved the statements.

(c) Basis of measurement

Apart from certain assets and liabilities measured at fair value as required under certain IFRS's, the financial statements have been presented and prepared on the basis of historical cost.

(d) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

(e) Estimates and critical judgments by management

The preparation of these financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Items for which actual results may differ materially from these estimates are described in the following section.

(i) Useful lives of equipment

Depreciation of property, plant and equipment is dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of the assets.

(ii) Fair value of financial assets available for sale
Financial assets available for sale consist of privately held investments. Determination of the fair values of privately held investments requires the Company to make various assumptions about the future prospects of the investees, the economic, legal, and political environment in which the investees operate, and the ability of the investees to obtain financing to support their operations. As a result, any value estimated may not be realized or realizable, and the values may differ from values that would be realized if a ready market existed.

(iii) Income taxes
Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

(iv) Date of commencement of commercial production
The date noted as the date of the beginning of commercial production (June 1, 2015) reflects management's best estimate based on facts available.

3. New and revised standards and interpretations issued but not yeteffective

(a) IFRS 9 FINANCIAL INSTRUMENTS
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The effective date of this standard is January 1, 2018. The Company will adopt this new standard as of its effective date. The Company is currently analyzing the possible impact of this Standard on its financial statements.

(b) IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS
IFRS 15 was issued by IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company will adopt this new standard as of its effective date. The Company is currently analyzing the possible impact of this Standard on its financial statements.

(c) AMENDMENTS TO IAS 7
IAS 7 amendments include additional disclosures to enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. These amendments become effective for annual periods beginning on or after January 1, 2017. The Company will adopt the amendments as of the effective date. The Company is currently analyzing the possible impact of the amendments on its financial statements.

(d) IFRS 16 LEASES
IFRS 16 was issued in January 2016 and replaces the previous guidance on leases. This standard provides a single recognition and measurement model to be applied to leases, with required recognition of assets and liabilities for most leases. This standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if the Company is also applying IFRS 15, Revenue from Contracts with Customers. The Company is currently evaluating the impact of the adoption of this new standard on its financial statements.

(Expressed in Canadian Dollars)

4. Prepaids and other receivables

Prepaids and other receivable is comprised of:

	March 31, 2017	Dec. 31, 2016
Trade receivables	$ 12,999	$ 15,401
Taxes receivable	2,933	11,208
Prepaids and deposits	1,060	1,060
	$ 16,992	**$ 27,669**

The following table shows the aging of the Company's trade receivables:

	March 31, 2017	Dec. 31, 2016
1 to 60 days	$ 12,898	$ 15,300
61 days and older	101	101
	12,999	15,401
Allowance for bad debts	-	-
Accounts receivable	$ 12,999	$ 15,401

The Company considers all trade receivables to be collectable and has not made any allowance for doubtful accounts as at March 31, 2017 nor December 31, 2016.

5. Inventory

The following comprises inventory:

	March 31, 2017	Dec. 31, 2016
Raw materials	$ 12,937	$ 10,933
Finished goods	-	-
	$ 12,937	$ 10,933

There was no write-down of inventory during the periods ended March 31, 2017 nor December 31, 2016. During the period ended March 31, 2017, $20,351 (March 31, 2016 - $18,813, December 31, 2016, $36,852) of inventory was expensed as cost of sales.

6. Equipment

March 31, 2017

Cost	Balance at Dec. 31, 2016	Additions	As at March 31, 2017
Furniture and equipment	$ 3,096	$ -	$ 3,096
Computer equipment	1,367	-	1,367
Manufacturing equipment tooling and moulds	203,788	-	203,788
Leasehold improvement	5,730	-	5,730
Equipment	$ 213,981	$ -	$ 213,981

Accumulated depreciation	Balance at Dec. 31, 2016	Additions	As at March 31, 2017
Furniture and equipment	$ 853	$ 112	$ 965
Computer equipment	325	78	403
Manufacturing equipment tooling and moulds	21,512	3,396	24,908
Leasehold improvement	3,442	287	3,729
	$ 26,132	$ 3,873	$ 30,005
Net book value	$ 187,847		$ 183,974

(Expressed in Canadian Dollars)

March 31, 2016

Cost	Balance at Dec. 31, 2015	Additions	As at March 31, 2016
Furniture and equipment	$ 49,951	$ -	$ 49,951
Computer equipment	-	-	-
Manufacturing equipment tooling and moulds	203,788	-	203,788
Leasehold improvement	5,730	-	5,730
Equipment	$ 259,469	$ -	$ 259,469

Accumulated depreciation	Balance at Dec. 31, 2015	Additions	As at March 31, 2016
Furniture and equipment	$ 6,855	$ 6,460	$ 13,315
Computer equipment	-	-	-
Manufacturing equipment tooling and moulds	1,130	10,190	11,320
Leasehold improvement	1,719	860	2,579
	$ 9,704	$ 17,510	$ 27,214
Net book value	$ 249,765		$ 232,255

7. Patent and design costs

	Balance at Dec. 31, 2016	Additions, net	As at March 31, 2017
Cost	$ 180,203	$ -	$ 180,203
Accumulated amortization	(18,261)	(3,003)	(21,264)
Carrying value	$ 161,942	$ (3,003)	$ 158,939

	Balance at Dec. 31, 2015	Additions, net	As at March 31, 2016
Cost	$ 160,823	$ 1,630	$ 162,453
Accumulated amortization	(890)	(8,120)	(9,010)
Carrying value	$ 159,933	$ (6,490)	$ 153,443

The Company commenced amortization on June 1, 2015.

8. Revenue share assets

	Balance at Dec. 31, 2016	Additions, net	As at March 31, 2017
Cost	$ 156,958	$ -	$ 156,958
Accumulated amortization	(23,379)	(6,679)	(30,058)
Carrying value	$ 133,579	$ (6,679)	$ 126,900

	Balance at Dec. 31, 2015	Additions, net	As at March 31, 2016
Cost	$ -	$ -	$ -
Accumulated amortization	-	-	-
Carrying value	$ -	$ -	$ -

(Expressed in Canadian Dollars)

9. Trade payables and other liabilities

Trade payables and accrued liabilities are comprised as follows:

	March 31, 2017	Dec. 31, 2016
Trade payables	$ 224,626	$ 232,678
Accrued liabilities	17,000	15,000
	$ 241,626	$ 247,678

The following table shows the aging of the Corporation's trade payables:

	March 31, 2017	Dec. 31, 2016
Current	$ 135,076	$ 136,357
>60 days	89,550	96,321
	$ 224,626	$ 232,678

10. Long-term debt

Shareholder loans, unsecured, with interest rates between 3% and 10%	$ 150,000
Bank loan bearing interest at the rate of prime plus 3.0% per annum, repayable in monthly principal repayments of $4,673 plus interest, secured by a general security agreement over all assets of the Company and a personal guarantee from the majority shareholders amounting to 25% of the original loan balance. The loan matures on July 15, 2018.	73,914
Less: Current portion of long-term debt	(56,076)
	$ 167,857

Principal repayments required in the next two years are as follows:

2017	$ 56,076
2018	167,838
2019	-
	$ 223,914

11. Share capital

(a) ***Authorized***

An unlimited amount of common shares without par value.

An unlimited number of voting class "A" shares

(b) ***Issued common shares***

	Number	Amount
Balance at July 1, 2014	1,203,358	$ 555,470
Issuance of shares for cash (i)	25,525	50,000
Balance at June 30, 2015	1,228,883	$ 605,470
Issuance of shares for cash (ii)	10,203	20,000
Issuance of shares for cash (iii)	25,511	50,000
Issuance of shares for cash (iv)	25,511	50,000
Issuance of shares for cash (v)	25,511	50,000
Issuance of shares for cash (vi)	38,265	75,000
Issuance of shares for cash (vii)	40,816	80,000
Balance at June 30, 2016	1,394,700	930,470
Issuance of shares for cash (viii)	25,111	50,000
Balance at March 31, 2017 and December 31, 2016	1,420,211	$ 980,470

(Expressed in Canadian Dollars)

(i) During October 2014, the Company issued 25,525 common shares for net proceeds of $50,000.
(ii) During July 2015, the Company issued 10,203 common shares for net proceeds of $20,000.
(iii) During August 2015, the Company issued 25,511 common shares for net proceeds of $50,000.
(iv) During October 2015, the Company issued 25,511 common shares for net proceeds of $50,000.
(v) During January 2016, the Company issued 25,511 common shares for net proceeds of $50,000.
(vi) During March 2016, the Company issued 38,265 common shares for net proceeds of $75,000.
(vii) During June 2016, the Company issued 40,816 common shares for net proceeds of $80,000.
(viii) During July 2016, the Company issued 25,511 common shares for net proceeds of $50,000.

12. Related party transactions

The following is a summary of the Company's related party transactions during the year:

(a) 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:

		Mar. 31, 2017		Mar. 31, 2016
Short-term employee benefits, including salaries and fees	$	8,300	$	-
Sub-contractors		3,150		-
	$	11,450	$	-

13. Commitments and contingencies

(a) The following is a summary of the Company's operating lease obligations due in future fiscal years:

2017	$ 14,430
2018	19,240
2019	16,033
	$ 49,703

(b) The Company is subject to a claim for damages related to an alleged breach of a non-disclosure document. The Company believes that the allegations contained in the statement of claim are without merit and plans to vigorously defend itself; accordingly, no provision for loss has been recognized.

14. Operating segment information

Management has determined that the Company's operations have similar economic characteristics, and are similar in the nature of products and services, production processes, types and classes of customer, methods of distribution and regulatory environment and as such have aggregated its operating units into a single reportable segment. The Company undertakes its operations in the U.S. and has no significant assets located or revenues generated outside the U.S. Therefore, no segment reporting is included in these financial statements.

15. Earnings (loss) per share

Basic and diluted loss per share are calculated using the following numerators and denominators:

Numerators		Mar. 31, 2017	Mar. 31, 2016
Loss attributable to common shareholders	$	(20,353)	$ (121,450)
Loss used in the computation of basic and diluted earnings per share		(20,353)	(121,450)

Denominators	Mar. 31, 2017	Mar. 31, 2016
Weighted average number of common shares for computation of basic and diluted loss per share	1,420,211	1,311,414

16. Financial instruments

(a) Financial risks

(i) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to review liquidity resources and ensure that sufficient funds are available to meet financial obligations as they become due. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise. The Company's funding is provided in the form of capital raised through the issuance of shares and long-term debt.

(ii) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company’s main credit risk relates to its accounts receivable. The accounts receivable are due from various government bodies; therefore, the company does not anticipate any significant loss for non-collection.

(iii) Market risk
(1) Price risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to price risk

(2) Concentration risk
Concentration risk is the risk that any single investment or group thereof, has the potential to materially affect the operating results of the Company. The Company is not exposed to this risk.

It is management's opinion that the Company is not subject to significant interest rate risk.

(a) Fair value hierarchy
Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:
Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;
Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - valuation techniques using the inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In these financial statements, classification of financial instruments measured at fair value is as follows:
Level 1 - cash;
Level 2 - none;
Level 3 - none.

During the year, there were no transfers of amounts between Level 1 and Level 2 and 3.

17. Capital management

The Company considers its capital to be its equity and debt as disclosed in Note 11. The Company's objectives when managing its capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investors' confidence required to sustain future investments.

18. Subsequent event

Subsequent to March 31, 2017, the Company completed its Qualifying Transaction with Pound Venture Capital Corporation and concurrently, a financing.

For the Qualifying Transaction, each Pool Safe common share outstanding at December 31, 2016, being 1,420,211 common shares, were exchanged for 39,765,908 shares in the publicly listed company. A further 1,786,923 shares in the public company were issued to the CPC shell in exchange for those shares. Debt of $192,994 was converted into 1,704,892 shares in the publicly listed company.

(Expressed in Canadian Dollars)

Gross proceeds of $1.25 million were raised through the issue of unit and subscription receipts. These units and subscription receipts were exchanged for 11,038,040 shares and 5,519,020 warrants in the publicly listed company. Broker warrants related to the financing were issued for 427,476 units, with each unit comprising a warrant which can be exercised to purchase one common share in the Company and a one half of one common share warrant in the Company.

Shares existing at the date of these financial statements and comparative shares as at June 30, 2016 and 2015, adjusted for the share split, are as follows:

	March 31, 2017	**December 31, 2016**
Shares Outstanding	54,295,763	54,295,763
Warrants	5,946,496	5,946,496
Options	129,942	129,942
Total	60,372,201	60,372,201