

## Form 62-103F1

### *Required Disclosure under the Early Warning Requirements*

#### **Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Common shares (the “**Common Shares**”) in the capital of Pool Safe Inc. (the “**Company**” or “**Pool Safe**”), having a head office located at 401 Magnetic Drive, Unit 14, North York, Ontario, M3J 3H9.

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The TSX Venture Exchange.

#### **Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Berger Group Inc. (the “**Acquiror**”)  
331 Cortleigh Blvd.  
Toronto, ON  
M5N 1R2

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On September 12, 2018, the Company and the Acquiror (together with the Company, the “**Defendants**”), finalized their previously announced settlement (the “**Litigation Settlement**”) with Play Safe Enterprises Inc., Coolsafe Enterprises, Inc. (“**Coolsafe**”), and David Lubotta (collectively, the “**Plaintiffs**”; together with the Defendants, the “**Litigation Parties**”), pursuant to which the Plaintiffs settled certain previously disclosed litigation in consideration for the Defendants making a payment of \$486,000 (the “**Settlement Amount**”) to the Plaintiffs, which was satisfied by the delivery of the an aggregate of 5,400,000 Common Shares to the Plaintiffs. The Settlement Amount was partially satisfied by the sale by the Acquiror of 2,000,000 Common Shares to Coolsafe at a deemed price of \$0.09 per Common Share.

**2.3 State the names of any joint actors.**

Not Applicable

### **Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.**

The Acquiror sold 2,000,000 Common Shares to Coolsafe, which resulted in the Acquiror holding, directly or indirectly, or exercises control or direction over an aggregate of 21,813,216 Common Shares, representing 37.93% of the issued and outstanding Common Shares on a non-diluted basis. Prior to the Litigation Settlement, the Acquiror held, directly or indirectly, or exercised control or direction over an aggregate 23,813,216 Common Shares, representing 43.85% of the then-issued and outstanding Common Shares on a non-diluted basis.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

The Acquiror disposed of 2,000,000 Common Shares.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not Applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Upon completion of the Litigation Settlement, the Acquiror holds, directly or indirectly, or exercises control or direction over an aggregate of 21,813,216 Common Shares, 600,000 stock options exercisable for the purchase of 600,000 Common Shares and 340,909 warrants exercisable for the purchase of 340,909 Common Shares, representing 37.93% of the issued and outstanding Common Shares on a non-diluted basis, and 38.93% on a partially-diluted basis (assuming exercise of the Acquiror’s convertible securities). Prior to the Litigation Settlement, the Acquiror held 23,813,216 Common Shares and the same number of stock options and warrants, representing 43.85% of the issued and outstanding Common Shares on a non-diluted basis, and 44.80% on a partially-diluted basis (assuming exercise of the Acquiror’s convertible securities).

**3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which**

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**

The Acquiror holds, directly or indirectly, or exercises control or direction over an aggregate of 21,813,216 Common Shares, 600,000 stock options exercisable for the purchase of 600,000 Common Shares and 340,909 warrants exercisable for the purchase of 340,909 Common Shares, representing 37.93% of the issued and outstanding Common Shares on a non-diluted basis, and 38.93% on a partially-diluted basis (assuming exercise of the Acquiror's convertible securities).

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

None.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

None.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not Applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

**4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Acquiror's 2,000,000 Common Shares were sold at a deemed price of \$0.09 per Common Share, or \$180,000 in the aggregate.

**4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See section 4.1 above.

**4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Acquiror's securities are being held for investment purposes. In the future, the Acquiror may, depending on market and other conditions, increase or decrease the Acquiror's beneficial ownership of securities of the Company.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not Applicable

#### **Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not Applicable

#### **Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not Applicable.

**Item 9 – Certification**

**The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.**

**This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.**

**It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.**

**Certificate**

I, as the Acquiror, certify, or I, as the agent filing this report on behalf of an Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated this 11<sup>th</sup> of September, 2018.

**Berger Group Inc.**

Per: signed “David Berger”

Name: David Berger

Title: Vice-President

*I have the authority to bind the corporation*