PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

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This Management's Discussion and Analysis ("MD&A") is prepared as of April 29, 2022 and outlines the business strategy, risk profile, business outlook and analysis of financial performance and financial position of Parkit Enterprise Inc. ("Parkit," or "the Company") for the year ended December 31, 2021 ("Q4"). This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for year ended December 31, 2021 (the "Financial Statements").

This MD&A is based on financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are in Canadian dollars ("CAD"), unless otherwise stated.

REVIEW AND APPROVAL BY THE BOARD OF DIRECTORS

The Board of Directors approved the contents of this MD&A on April 29, 2022.

SECTION 1

FORWARD LOOKING STATEMENTS

Included in this MD&A is certain forward-looking information, as such term is defined under applicable Canadian securities laws. This information relates to future events or future performance and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management and a number of assumptions that management believed were reasonable on the day such forward-looking information was presented. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "intend", "believe", "estimate", "predict", "potential", "continue" or the negative or grammatical variations of these terms or other similar expressions concerning matters that are not historical facts. In particular, information regarding the Company's future operating results and economic performance is forward-looking information. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information. See "Risks and Uncertainties".

Forward-looking information relates to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and other uncertain events. Forward-looking information, by its nature, is based on assumptions, including those described in the paragraph below, and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from those expressed in the forward-looking information. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business. These forward-looking statements include, among other things, statements relating to:

- Establishment and expansion of business segments
- Capital and general expenditures
- Projections of market prices and costs
- Expectations regarding the ability to raise capital
- Treatment under governmental regulatory regimes

Actual results could differ materially from those anticipated in this MD&A as a result of the factors set forth below and elsewhere in the MD&A:

- Liabilities inherent in our operations
- Uncertainties associated with estimated market demand and sector activity levels
- Competition for, among other things, capital, acquisitions and skilled personnel
- Fluctuations in foreign exchange or interest rates and stock market volatility
- The impact of the COVID-19 pandemic on operations
- The other factors discussed under “Risks and Uncertainties”

Prospective purchasers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended.

All forward-looking information in this MD&A, is qualified by these cautionary statements. The forward-looking information is made only as of the date that such information is made and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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NON-IFRS MEASURES

Certain terms used in the MD&A such as "Income from Operations", "Yield", "Appraised Value", "Investor Rate of Return" and any related per share amounts used by management to measure, compare and explain the operating results and financial performance of the Company are not recognized terms under IFRS, and therefore should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS. Management believes that these terms are relevant measures in comparing the Company's performance to industry data, and the Company's ability to earn cash from, and invest cash in real estate. These terms are defined in this MD&A. Such terms to not have standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other publicly traded companies.

Net operating income ("NOI") is a non-IFRS measure commonly used as a measurement tool in real estate businesses. Net operating income is equal to net rental income ("NRI") presented in the Financial Statements. For the purposes of this MD&A, NRI is defined as investment property revenue less investment property operating costs. NRI does not include interest expense or income, depreciation and amortization, corporate administrative costs, stock based compensation costs or taxes. NRI assists management in assessing profitability and valuation from principal business activities.

Funds from Operations ("FFO") is a non-IFRS measure of operating performance as it focuses on cash flow from operating activities. REALPAC is the national industry association dedicated to advancing the long-term vitality of Canada's real property sector. REALPAC defines Funds From Operations (FFO) as net income (calculated in accordance with IFRS), adjusted for, among other things, depreciation, transaction costs, gains and losses from property dispositions, foreign exchange, as well as other non-cash items. AFFO is FFO, but adjusted for straight-line rent adjustments, normal capital expenditures and normalized tenant incentives and leasing commissions. The Company's goal is to increase FFO and AFFO over the long term. While the Company's methods of calculating FFO and AFFO comply with REALPAC recommendations, they may differ from and not be comparable to those used by other companies.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 3 to its audited consolidated financial statements for the year ended December 31, 2021, two months ended December 31, 2020, and year ended October 31, 2020. The preparation of financial statements requires the Company to make estimates and judgements that affect the reported results. For a detailed discussion of the critical estimates refer to Note 4 to the Company's audited consolidated financial statements for the year ended December 31, 2021, two months ended December 31, 2020 and year ended October 31, 2020.

COVID-19 PANDEMIC

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic ("COVID-19" or "the pandemic"). This contagious disease outbreak has adversely affected workforces, economies, and financial markets globally. It has been very challenging to both businesses and individuals in response to the rapidly changing coronavirus pandemic.

The Company has undertaken certain measures in response to the COVID-19 pandemic.

- The Company is monitoring guidance and programs from the government, regulators, and health authorities.
- Personnel are working remotely and maintaining social distancing.
- Management is also closely monitoring all expenses and is reducing non-essential expenses

SECTION 2 – OVERALL PERFORMANCE AND STRATEGY

Business Overview

Parkit Enterprise is an industrial real estate platform focused on the acquisition, growth and management of strategically located industrial properties across key markets in Canada, with a focus on the Greater Toronto Area+ ("GTA+"), Ottawa and Montreal, to complement its parking assets across the United States of America ("USA").

Business Update – Continued Shift in Strategy

In Q4, Parkit continued its transformation into an industrial real estate platform by adding an additional investment property, continuing its development of its expansion properties and streamlining the operations. The Company continues to monitor its parking assets in the USA as the business begins to recover from the effects of COVID-19.

Strategic Direction

Parkit's strategy is to own and operate a portfolio of strategically located industrial properties. The Company is committed to:

- owning and operating a premium portfolio of industrial and parking assets with strong fundamentals
- focusing resources on long-term cash flow and increasing value
- maximizing the value of industrial and parking assets through expansion and innovative asset management
- ensuring the Company follows progressive environmental, social and governance policies

Parkit's investment strategy is to maximize shareholder value through growing income streams, acquisitions of high-quality assets, and increasing the intrinsic value of portfolio assets. It is anticipated that targeted acquisitions will have a combination of current and growing free cash flow, opportunities for yield enhancement and in certain circumstances opportunity for repositioning and expansion. Combined, these factors should increase the Company's value significantly over time. While Parkit's assets are not marked-to-market, and gains in value are not recognized in the Company's financial statements, it is expected that this value will be reflected through growing cash flow.

Industrial Real Estate – Market Dynamics and Impact of COVID-19

Industrial real estate has strong market dynamics with rising rents, low vacancies, and declining cap rates. The market is positively driven by e-commerce and warehousing, and these factors have accelerated with the effects of COVID-19.

Parkit is well positioned to capitalize on this growth as it has raised substantial capital and reconstituted its Board and management to add personnel with notable experience in acquiring, developing, and managing real estate properties. The Company's specific focus will be on the GTA+, Ottawa, Montreal, and other key markets in Canada if accretive opportunities become available.

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Acquisition of Industrial Assets

In Q4, the Company continued its shift in strategy by acquiring three additional industrial asset:

- 1151-1181 Parisien St, Ottawa, Ontario which has 74,447 sq feet of gross leasable area on approximately 4.0 acres of land. The aggregate purchase price of $13,250,000, was satisfied with funds on hand.
- 720 Tapscott Rd, Toronto, Ontario which has a building on approximately 2.4 acres of land. The aggregate purchase price of $3,600,000, was satisfied through the issuance of 61,552 common shares in the capital of Parkit for $100,000 and $3,500,000 from funds on hand.
- 1485 Speers Rd, Oakville, Ontario, which has 101,500 sq feet of gross leasable area on approximately 6.5 acres of land. The aggregate purchase price of $18,000,000, was satisfied through the issuance of 702,481 common shares in the capital of Parkit for $1,000,000 and $17,000,000 from funds on hand.

Parking Joint Ventures

In addition to its industrial real estate assets, the Company holds its parking assets in two joint ventures.

OP Holdings Joint Venture

The Company's primary parking asset is an effective 24.39% equity interest in OP Holdings JV LLC ("OP Holdings"). On April 22, 2015, the Company entered into a joint arrangement with Parking Real Estate, LLC ("PRE") and Sculptor Capital Management ("Sculptor") to form OP Holdings. The majority member of OP Holdings is a division of Sculptor, an institutional asset manager. OP Holdings has 3 assets:

- Chapel Square, located in New Haven, Connecticut (commercial/business district)
- Z Parking, located in East Granby, Connecticut (Bradley International Airport)
- Canopy Airport Parking, located in Denver, Colorado

Fly-Away Parking - Nashville

In addition to the assets held in OP Holdings, on October 30, 2015 the Company acquired a 50% indirect investment in Fly-Away Airport Parking ("Fly-Away Parking", together with OP Holdings the "Joint Ventures"), servicing the Nashville International Airport.

As asset manager and investor in parking facilities, the Company has multiple sources of revenue (management fees, acquisition fees, and earnings in equity). Upon disposition, Parkit expects to realize capital gains and incentive distributions. The combination of income streams and gains in intrinsic value (unrealized capital gains) provide Parkit shareholders the opportunity for leveraged returns alongside institutional private equity.

Joint Venture Operations

In Q4, the parking assets continue to feel the effects of COVID-19, though the results have improved. The Company's share of profit or (loss) from the joint ventures are summarized in the Financial Statements, note 6. The Company's profit from equity accounted investees for the three months and year ended December 31, 2021 was a profit of $30,769 and a loss of $289,233 respectively versus a loss of $78,061 for the two months ended December 31, 2020.

The Company expects the results of the joint ventures to improve, though it is difficult to forecast the results given the continued uncertainty of COVID-19 and its impact to the Joint Ventures' parking operations.

Outlook and Subsequent Events

The Company continued its shift into industrial real estate platform by growing its portfolio and maximizing cash flows from its investment properties. The Canadian industrial markets continued to strengthen during the fourth quarter of 2021.

In the Greater Toronto Area Plus ("GTA+"), Ontario, availability rates held at 0.9% from the same value in the previous quarter, and market rents increased to $12.30 net rent per sq ft[1] from $11.30 net rent per sq ft the previous quarter. In Ottawa, Ontario availability rates decreased to 1.7% from 2.6% in the previous quarter, and market rents increased to $12.15 net rent per sq ft[2] from $11.94 net rent per sq ft the previous quarter.

The COVID-19 pandemic has accelerated positive trends for industrial real estate with increasing demand from e-commerce warehousing, logistics and distribution.

The Company has restructured its parking operations to minimize costs and lower debt servicing. The Company expects to minimize cash outflows to maintain the parking assets, but expects the parking to recover as the effects of the pandemic diminishes.

The Company expects to continue its acquisition activity and deploy the capital raised in the private placements to accretive acquisitions that will maximize net asset value and generate positive returns over the long term. Subsequent to year end, management has acquired two additional investment properties with an additional three under contract. Management remains confident that the Company will be able to continue to expand the size of its portfolio through discipline, data-driven and accretive acquisitions. Over the long term, Parkit's goal is to continue to grow its portfolio through acquisitions, expansions, and developments of industrial real estate while maximizing returns on its industrial and parking assets.

Subsequent to December 31, 2021, the Company completed and announced the acquisitions of the following industrial assets:

- In January 2022, the Company acquired a property consisting of a 55,547 sf of industrial warehouse located on 2 acres of land at 1665 Blvd Lionel-Bertrand, Boisbriand, Quebec for a purchase price of $8.5 million. The purchase price was satisfied through cash on hand.

- In February 2022, the Company acquired a 85,000 sf single tenant industrial and flex warehouse located on 3.6 acres of land at 568 Second St, London, Ontario for a purchase price of $8.5 million. The acquisition was satisfied through the issuance of 2,000,744 common shares in the capital of the Company at a deemed aggregate consideration of $2,500,000 and $6,000,000 from cash on hand.

- In April 2022, the Company announced it had signed an agreement to purchase 3 properties for an aggregate purchase price of $40,280,000. Two of the Acquisitions are arm's length, and one is non-arm's length. It is anticipated that the Acquisitions will close in Q2 2022. The Acquisitions total 139,704 square feet on 13.8 acres of lands in Burlington and Ottawa, Ontario.

[1] Per CBRE – Canada Q4 2021 Quarterly Statistics

Environmental, Social and Governance ("ESG")

The Company believes maintaining a focus on ESG in all key decisions is a driver of long-term success. Sustainability and corporate responsibility are the pillars of long-term growth. The Company is focused on reducing its environmental impact, promoting equity, diversity, inclusion, and community initiatives, and striving for top-tier governance. Parkit's ESG strategy is promoted at all levels of the Company with both the Board of Directors ("the Board") and management collaborating to continue to improve and refine its initiatives.

Executive compensation is include ESG criteria

Some of the Company's ESG initiatives and accomplishments include:

Environmental	• member of Canada Green Building Council, a leading not-for-profit national environmental organization • utilization of solar panels • upgrade all properties to energy-efficient lighting on tenant turnover • use of low-flow toilets • paperless administration including cloud-based systems and records distribution
Social	• supported eligible tenants during COVID-19, with the Canada Emergency Commercial Rent Assistance (CECRA) program • ensure safe working conditions through adherence to occupational health and safety standards • promoting diversity and inclusion through Board, management and Company's use of merit-based hiring practices • community involvement and charitable initiatives • support wellness through continuing education for employees • ensure safe conditions through adherence to jurisdictional occupational health, safety and labour standards
Governance	• established Board committees for Audit, Governance & Compensation, Investments • Audit, Governance & Compensation Committees are majority independent • significant board ownership at over 35%

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SECTION 3 – FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

Select Financial Information (Unaudited)	**Three months ended December 31, 2021**	**Year ended December 31, 2021**	**Two months ended December 31, 2020**	**Year ended October 31, 2020**
Operating results				
Revenue from investment properties	$ 2,115,089	$ 5,778,651	$ 17,290	$ -
Net rental income	$ 1,114,129	$ 3,322,561	$ 11,316	$ -
Share of profit (loss) – equity-accounted investees	$ 30,769	$ (289,233)	$ (78,061)	$ (4,662,512)
Net loss	$ (1,593,804)	$ (3,988,375)	$ (1,568,069)	$ (5,327,509)
Net loss per share	$ (0.01)	$ (0.02)	$ (0.04)	$ (0.15)
Funds from Operations	$ 698,435	$ 1,434,834	$ (148,737)	$ (440,758)
FFO per share	$ 0.00	$ 0.01	$ (0.00)	$ (0.01)
Weighted Avg shares outstanding	233,760,518	215,592,019	37,477,208	34,854,257
Liquidity and Leverage				
Cash		$ 21,797,256	$ 9,140,322	$ 588,635
Working capital		$ 20,698,840	$ 8,796,836	$ 609,265
Total assets		$ 177,640,703	$ 60,332,290	$ 15,663,385
Total debt (loans and borrowings) (i)		$ 17,126,214	$ 25,923,039	$ -
Total equity		$ 158,326,080	$ 33,681,061	$ 15,300,846
Weighted avg mortgage term (years) (i)		5.12	4.38	-
Weighted avg effective mortgage rate		3.64%	3.62%	-
Investment properties				
Properties acquired (ii)	3	6	2	-
Number of properties (cumulative)		8	2	-
Site area (acres) (cumulative)		55.3	11.56	-
In place gross leasable area ("GLA") (sf)		823,388	229,742	-
Expansion GLA in development (sf)		271,050	-	-
Stabilized GLA after Expansion (sf)		1,094,438	229,742	-
In place occupancy rate (iv)		100%	100%	-
Average in-place net rent		$9.09	$6.21	-
Weighted average lease term ("WALT") (years)		5.1	4.9	-

(i) During the twelve months ended December 31, 2021, Parkit paid off $8,350,168 of vendor take back loans.
(ii) Parkit added two properties in Q1 2021, one property in Q3 2021, and three properties in Q4 2021. Parkit added two properties for the two months ended 2020
(iii) In place GLA is split into stabilized in place GLA of 483,725 sf and development in place GLA of 339,663 sf
(iv) The Company's occupancy rate does not include assets in development
(v) The Company's properties in development include 5610 Finch Ave East/720 Tapscott Rd, 415 Legget Drive, and 1485 Speers Rd.

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SECTION 4 – DISCUSSION OF OPERATIONS

Financial results for three months and twelve months ended December 31, 2021

Segmented Information

The Company operates in two reportable business segments as at December 31, 2021:

- Investment Properties – acquisition, management, and growth of industrial real estate in key markets in Canada.
- Parking Assets – acquisition and management of income-producing parking facilities across the United States.

For the three months ended December 31, 2021	Investment Properties	Parking Assets	Corporate	Total
Investment properties revenue	$ 2,115,089	$ -	$ -	$ 2,115,089
Investment properties expenses	(1,000,960)	-	-	(1,000,960)
Net rental income	1,114,129	-	-	1,114,129
Operating expenses				
Share of loss from equity-accounted investees	-	(30,769)	-	(30,769)
General and administrative expenses and other income	-	(31,192)	278,628	247,436
Share-based compensation	-	-	1,507,545	1,507,545
Depreciation	-	-	807,597	807,597
Finance costs	-	-	176,124	176,124
	-	(61,961)	2,769,894	2,707,933
Income or (loss) before tax	**1,114,129**	**61,961**	**(2,769,894)**	**(1,593,804)**
Income tax expense	-	-	-	-
NET INCOME OR (LOSS)	**$ 1,114,129**	**$ 61,961**	**$ (2,769,894)**	**$ (1,593,804)**
Additions:				
Investment properties	$ 37,577,308	$ -	$ -	$ 37,577,308

For the year ended December 31, 2021	Investment Properties	Parking Assets	Corporate	Total
Investment properties revenue	$ 5,778,651	$ -	$ -	$ 5,778,651
Investment properties expenses	(2,456,090)	-	-	(2,456,090)
Net rental income	3,322,561	-	-	3,322,561
Operating expenses				
Share of loss from equity-accounted investees	-	289,233	-	289,233
General and administrative expenses and other income	-	(124,108)	1,220,917	1,096,809
Share-based compensation	-	-	3,175,065	3,175,065
Depreciation	-	-	1,966,821	1,966,821
Finance costs	-	-	770,161	770,161
	-	165,125	7,132,964	7,298,089
Income or (loss) before tax	**3,322,561**	**(165,125)**	**(7,132,964)**	**(3,975,528)**
Income tax expense	-	-	(12,847)	(12,847)
NET INCOME OR (LOSS)	**$ 3,322,561**	**$ (165,125)**	**$ (7,145,811)**	**$ (3,988,375)**
Additions:				
Investment properties	$ 105,930,689	$ -	$ -	$ 105,930,689

For the two months ended December 31, 2020	Investment Properties	Parking Assets	Corporate	Total
Investment properties revenue	$ 17,290	$ -	$ -	$ 17,290
Investment properties expenses	(5,974)	-	-	(5,974)
Net rental income	11,316	-	-	11,316
Operating expenses				
Share of loss from equity-accounted investees	-	78,061	-	78,061
General and administrative expenses and other income	-	(21,557)	254,943	233,386
Share-based compensation	-	-	-	-
Transaction costs and land transfer taxes	1,259,824	-	-	1,259,824
Depreciation	-	-	-	-
Finance costs	-	-	8,114	8,114
	1,259,824	56,504	263,057	1,579,385
Income or (loss) before tax	**(1,248,508)**	**(56,504)**	**(263,057)**	**(1,568,069)**
Income tax expense	-	-	-	-
NET INCOME OR (LOSS)	**$ (1,248,508)**	**$ (56,504)**	**$ (263,057)**	**$ (1,568,069)**
Additions:				
Investment properties	$ 37,509,824	$ -	$ -	$ 37,509,824

The comparative data for the twelve months ended October 31, 2020 are not presented as they only relate to the operation of the parking assets.

Investment properties revenue, expenses and net rental income

Investment properties revenue includes base rent from investment properties, recovery of operating costs, property taxes and capital expenditures from tenants, the impact of straight-line rent adjustments, lease termination fees and other adjustments, as well as fees earned from property management.

Investment properties revenue for the three months and twelve months ended December 31, 2021 rose to $2,115,089 and $5,778,651, respectively, compared to $17,290 for the two months ended December 31, 2020. The increase in revenue from investment properties is due to the acquisitions made by the Company.

Investment properties expenses comprise operating costs and property taxes as well as certain expenses that are not recoverable from tenants. Operating expenses fluctuate with changes in occupancy levels, expenses that are seasonal in nature, and the level of repairs and maintenance incurred during the period.

Investment properties expenses increased in proportion to the increase in revenues for the three months and twelve months ended December 31, 2021 to $1,000,960 and $2,456,090, respectively, compared to $5,974 for the two months ended December 31, 2020. The increase in expenses from investment properties is due to the acquisitions made by the Company.

Net rental income increased in proportion to the increase in revenues for the three months and twelve months ended December 31, 2021 to $1,114,129 and $3,322,561, respectively, compared to $11,316 for the two months ended December 31, 2020. The Company is maintaining its margins as it onboards new investment properties.

Share of profit and loss from equity-accounted investees

The share of profit and loss from equity-accounted investees includes the investment in the Company's Joint Ventures, investment in associate, and long-term receivable.

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- The investment in the Company's Joint Venture includes the equity participation in the OP Holdings portfolio and Fly-Away Parking

- The Company's share of profit (loss) from associate represents its equity participation of income in Green Park Denver whose only significant asset is an earnings-based contingent receivable from OP Holdings

- The Company's long-term receivable pertains to the Company's advanced to Parking Real Estate, LLC ("PRE"), a joint venture partner, for the purpose of PRE funding investments in income-producing properties and related costs of acquisition. A portion has been repaid from the assignment of certain distributions due to PRE and the balance of $1,207,200 (US $960,000) is to be repaid upon disposition of certain investments or parking assets.

The share of profit and loss from equity-accounted investees for the three months and twelve months ended December 31, 2021 was a gain of $30,769 and a loss of $289,233, respectively, compared to a loss of $78,061 for the two months ended December 31, 2020. The share in the profit and losses from the Joint Ventures, reflects the Company's equity participation of the profit and loss from PAVe LLC (OP Holdings and Fly-Away Parking).

The Company continues to manage its joint ventures as operations recover from COVID-19, with the financial results from the Joint Ventures reflecting a smaller loss. The Company expects the parking results to continue to improve as the effects of the pandemic diminish.

The details of the Joint Ventures are detailed below and can also be found in note 6 of the financial statements.

	For the year ended December 31, 2021	For the two months ended December 31, 2020	For the year ended October 31, 2020
Property revenue	$ 1,618,382	$ 94,522	$ 1,424,944
Property expenses	(1,713,152)	(206,745)	(1,546,175)
Net property loss	(94,770)	(112,223)	(121,231)
Depreciation expense	(240,674)	(42,865)	(267,627)
Mortgage interest expense	(300,506)	(8,623)	(166,635)
Impairment on goodwill	-	-	(1,962,068)
Loss – property operations	(635,950)	(163,711)	(2,517,561)
Profit (loss) from associate	65,796	4,578	(3,339,766)
General and administrative expenses	-	-	(74,030)
Loss	(570,154)	(159,133)	(5,931,357)
Share of profit or (loss) from joint ventures	**$ (266,390)**	**$ (78,061)**	**$ (4,061,621)**

i) The Company is entitled to profits (losses) on the investments included in the joint ventures ranging from 50% to 88.8% based on the membership agreement and waterfall calculations. The calculated percentage of the Company's share of profits (losses) of the joint venture profits (losses) will vary from period to period.

ii) The share of loss from joint ventures is added to the share of loss from associate to account for the Company's total share of profit and loss from equity-accounted investees. The loss from associate was $22,843 for the three months and year ended December 31, 2021 compared to a loss of $nil for the two months ended December 30, 2020.

General and administrative expenses and other income

General and administrative expenses and other income for the three months and twelve months ended December 31, 2021 increased to $247,436 and $1,096,809, respectively, compared to $233,386 for the two months ended December 31, 2020. The increase is due to increase business activity from the Company's shift into an industrial real-estate platform.

Share-based compensation

Share-based compensation for the three months and twelve months ended December 31, 2021 were $1,507,545 and $3,175,065, compared to nil for the two months ended December 31, 2020. The increase is due to the number of options being granted during the period.

Depreciation

The Company elected the cost model for measurement for its investment properties where the investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation for the three months and twelve months ended December 31, 2021 increased to $807,597 and $1,966,821, respectively, compared to nil for the two months ended December 31, 2020. The increase in depreciation is due to the number of investment properties held by the Company up to the end of the period.

Finance costs

Finance costs for the three months and twelve months ended December 31, 2021 increased to $176,124 and $770,161, respectively, compared to $8,114 for the two months ended December 31, 2020. The increase in finance costs is due to the increase in debt held by the Company as a result of mortgages on the investment properties up to the end of the period.

Net Income

The net loss for the three months and twelve months ended December 31, 2021 is $1,593,804 and $3,988,375, compared to a loss of $1,568,069 for the two months ended December 31, 2020. The change is a result of net rental income offset by non-recurring stock-based compensation expenses, and increases to general and administration expenses, transaction costs and land transfer taxes for acquisitions of investment properties, depreciation, finance costs, and a loss from equity accounted investees.

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Funds from Operations ("FFO")

	Three months ended December 31, 2021	Year ended December 31, 2021	Two months ended December 31, 2020	Year ended October 31, 2020
Net loss and comprehensive loss	$ (1,593,804)	$ (3,988,375)	$ (1,568,069)	$ (5,327,509)
Add / (Deduct):				
Share of loss (gain) from equity-accounted investees	(30,769)	289,233	78,061	4,662,512
Depreciation	807,597	1,966,821	-	-
Foreign exchange	7,866	4,937	81,447	(16,904)
Transaction cost and land transfer tax on acquisition	-	-	1,259,824	-
Share-based compensation	1,507,545	3,175,065	-	7,606
Income tax expense (recovery)	-	(12,847)	-	233,537
FFO	**$ 698,435**	**$ 1,434,834**	**$ (148,737)**	**$ (440,758)**
FFO per share	**$ 0.00**	**$ 0.01**	**$ (0.00)**	**$ (0.01)**

Management has determined that FFO, non-GAAP measures, are useful measures of operating performance as it focuses on cash flow from operating activities.

The FFO for the three months and year ended December 31, 2021 increased to $698,435 and $1,434,834, respectively, compared to a loss of $148,737 and a loss of $440,758, respectively, for the two months ended December 31, 2020 and the year ended October 31, 2020. The increase in FFO comes from the acquisition of investment properties as the Company shifted its strategy to focus on industrial real estate.

Investment properties - Acquisitions

The Company's investment properties acquisitions for the year ended December 31, 2021 are detailed below:

	No of properties	GLA	Cost	Date acquired
5610 Finch Ave East, Toronto, Ontario	1	54,852	$ 12,947,089	March 15, 2021
1165 Kenaston Street, Ottawa, Ontario	1	168,186	29,716,563	March 18, 2021
415 Legget Drive, Ottawa, Ontario	1	194,661	27,554,636	July 6, 2021
1151-1181 Parisien St, Ottawa, Ontario	1	74,447	13,552,677	October 6, 2021
720 Tapscott Rd	1	-	3,767,468	October 8, 2021
1485 Speers Rd, Oakville, Ontario	1	101,500	18,392,256	December 15, 2021
Total 2021	**6**	**593,646**	**$ 105,930,689**	
Total 2020	**2**	**229,742**	**$ 37,509,824**	

Industrial Asset Developments

The Company plans to develop 415 Legget Dr, by repositioning the property from a flexible office and warehouse to a combination of light industrial and warehouse. In addition to the repositioning, the Company also plans on adding at least 150,000 sq feet of light industrial and warehouse on the property.

The Company continues to advance on its development at 5610 Finch Avenue East and 720 Tapscott Rd where the Company plans to add at least 121,050 sq feet and resulting in an industrial warehouse of at least 175,000 sq feet at these two properties.

Over the long-term, management intends to expand the Company's development program on a selective basis through building expansions or construction on new properties. In all cases, the objective of the development is to generate elevated returns to augment the returns from the Company's core portfolio of stabilized assets and to upgrade the portfolio through the addition of Class A assets, but in a manner that minimizes risk to the Company. The Company's development focus is where capitalization rates are at historic lows and in areas where the market remains significantly undersupplied.

The following table summarizes the Company's ongoing development projects as at December 31, 2021:

Property	**Planned GLA**	**Ownership**	**Comment**
Planning and permitting stage			
5610 Finch Ave East, & 720 Tapscott Rd, Toronto, Ontario	121,050	100%	Construction to commence in 2024
415 Legget Drive, Ottawa, Ontario	150,000	100%	Construction to commence in 2023
Total	**271,050**		

Industrial Asset Operations

The Company has eight industrial properties. Four of the properties are stabilized and produce net rental income ("NRI") and four of the properties are in development.

In Q4, the Company had 100% collections and has made arrangements with one tenant, previously in arrears, on a payment plan for past due rents.

Industrial Asset Portfolio

As of December 31, 2021, Parkit owns and operates a portfolio of 8 industrial assets totaling 823,388 sq ft of GLA with an additional 271,050 sq ft planned in future expansions.

The Company leases industrial properties to tenants under operating leases. For the year-ended December 31, 2021, the Company had revenue from four external customers that individually exceeded 10% or more of the Company's total revenue from investment properties. The Company's tenants operate in a variety of industries, with no one tenant accounting for more than 14% of total GLA. The Company's portfolio of 8 industrial assets has 22 tenants.

As at December 31, 2021, the Company has an in-place and committed occupancy of 100% for 4 stabilized properties and 4 properties are in development. The stabilized properties have an average in-place net rent for the portfolio of $9.09 per sq ft compared with market rents of $12.22 per sq ft in Q4 of 2021[3].

Portfolio as at December 31, 2021	**Average in place base rent (per sq ft)**	**Estimated market rent (per sq ft)**	**Estimated market rent/ avg in place rent**	**WALT**
Greater Toronto Area, Ontario	$6.57	$12.30	87.2%	4.0 years
Ottawa, Ontario	$10.64	$12.15	14.2%	6.0 years
Total Portfolio	$9.09	$12.22	34.4%	5.1 years

[3] Per CBRE – Canada Q4 2021 Quarterly Statistics

Lease Renewals and New Deals

In Q2, the Company renewed 9,310 sq feet of space at a net rental rate averaging $10.10 per sq foot over 5 years, which was 44% over the prior in-place rents. The Company expects to renew leases at market rates.

	Renewal Total	
	GLA	**Rental rate growth (%)**
2021 renewals	9,310	44%

The following table details the portfolio lease maturity profile of stabilized investment properties:

Portfolio as at December 31, 2021	**Vacancy**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026+**
Total vacancy / renewal (sq ft)	-	-	15,998	36,515	87,843	42,966	300,403
Total stabilized GLA (i)							483,725
Percentage of stabilized GLA	-	-	3%	8%	18%	9%	62%

(i) Total GLA excludes 339,663 sq ft for 5610 Finch Ave East, 415 Legget Drive, and 1485 Speers Rd, which are in development.

The Company leases industrial properties to tenants under operating leases. As at December 31, 2021 the minimum rental commitments on non-cancellable tenant operating leases over their remaining terms are as follows:

		December 31, 2021
2022	$	4,341,199
2023		4,127,621
2024		3,537,579
2025		3,239,016
2026		2,844,947
2027+		6,342,060
Total	**$**	**24,432,422**

SECTION 5 – SUMMARY OF QUARTERLY RESULTS

The following table sets forth the selected financial information of the Company for the most recent financial quarters:

	Three months ended December 31, 2021[(i)]	Three months ended September 30, 2021[(i)]	Three months ended June 30, 2021[(i)]	Three months ended March 31, 2021	Two months ended December 31, 2020[(v)]
Investment properties revenue	$ 2,115,089	$ 1,741,371	$ 1,327,495	$ 594,696	$ 17,290
Investment properties expense	(1,000,960)	(694,785)	(527,922)	(232,423)	(5,974)
Net rental income	**1,114,129**	**1,046,586**	**799,573**	**362,273**	**11,316**
Other expenses (income)					
Share of (profit) loss from equity investees	$ (30,769)	$ 6,547	$ (2,400)	$ 315,855	$ 78,061
General and admin and other (income)	247,436	291,132	219,951	338,290	233,386
Share-based compensation	1,507,545	-	1,667,520	-	-
Transaction costs and land transfer taxes[(ii)]	-	-	-	-	1,259,824
Depreciation	807,597	562,434	409,310	187,480	-
Finance costs	176,124	174,945	176,430	242,662	8,114
	2,707,933	**1,035,058**	**2,470,811**	**1,084,287**	**1,579,385**
Income (loss) before tax	**(1,593,804)**	**11,528**	**(1,671,238)**	**(722,014)**	**(1,568,069)**
Income tax (expense) recovery	-	-	(12,530)	(317)	-
Net (loss) and comprehensive loss	**$ (1,593,804)**	**$ 11,528**	**$ (1,683,768)**	**$ (722,331)**	**$ (1,568,069)**
Per share – basic and diluted	**$ (0.01)**	**$ 0.00**	**$ (0.01)**	**$ (0.00)**	**$ (0.04)**

	Three months ended October 31, 2020[(iii) (iv)]	Three months ended July 31, 2020 [(iv)]	Three months ended April 30, 2020 [(iv)]	Three months ended January 31, 2020 [(iv)]
Investment properties revenue	$ -	$ -	$ -	$ -
Investment properties expense	-	-	-	-
Net rental income	**-**	**-**	**-**	**-**
Other expenses (income)				
Share of (profit) loss from equity investees	$ 4,054,601	$ 359,780	$ 322,927	$ 74,796)
General and admin expenses and other (income)	103,970	146,241	51,801	129,448
	4,158,571	**506,021**	**374,728**	**(54,652)**
Income (loss) before tax	**(4,158,571)**	**(506,021)**	**(374,728)**	**(54,652)**
Income tax (expense) recovery	(197,437)	(410)	345	(36,035)
Net (loss) and comprehensive loss for the period	**$ (4,356,008)**	**$ (506,431)**	**$ (374,383)**	$ **(90,687)**
Per share – basic and diluted	**$ (0.12)**	**$ (0.01)**	**$ (0.01)**	$ **(0.00)**

(i) The results for the three months ended December 31, September 30, June 30, and March 31, 2021, reflect the continued shift into an industrial real estate platform.

(ii) The Company's transaction costs and land transfer taxes for the three months ended December 31, September 30, June 30, March 31, 2021 have been capitalized. The transaction costs and land transfer taxes for the two months ended December 31, 2020 have been capitalized and subsequently expensed to reflect a one-time impairment of the investment properties.

(iii) The results for the three months ended October 31, 2020 reflect a loss from equity investees as a result of the Company's book value adjustment to its Joint Venture arising from an impairment based on the appraised values to the Joint Venture due to the impacts of COVID-19.

(iv) For the periods of October 31, 2020 and prior, the Company's operations reflect a parking platform with its operations consisting of its equity investments.

(v) The Company changed its year-end to December 31, which resulted in a two-month stub period for December 31, 2020.

SECTION 6 – LIQUIDITY AND CAPITAL RESOURCES

	Balance at December 31, 2021	Balance at December 31, 2020	Balance at October 31, 2020
Liquidity and Leverage			
Cash	$ 21,797,256	$ 9,140,322	$ 588,635
Working capital	$ 20,698,840	$ 8,796,836	$ 609,265
Total assets	$ 177,640,703	$ 60,332,290	$ 15,663,385
Total debt (loans and borrowings) (i)	$ 17,126,214	$ 25,923,039	$ -
Total equity	$ 158,326,080	$ 33,681,061	$ 15,300,846

Cash

Cash increased to $21,797,256 as at December 31, 2021 from $9,140,322 as at December 31, 2020. The increase is a result of additional capital received from two private placements on February 17, 2021 and March 18, 2021, and cash received and paid in normal operations, offset by the acquisition of investment properties and transaction costs, repayment of VTB loans and payment of mortgage debt, as well as a difference in foreign exchange for the respective periods.

Working capital

Working capital increased to $ 20,698,840 as at December 31, 2021 from $8,796,836 as at December 31, 2020. The increase is a result of additional capital received from two private placements on February 17, 2021 and March 18, 2021, and cash received and paid in normal operations, offset by the acquisition of investment properties and transaction costs, construction costs from properties under development, repayment of VTB loans and payment of mortgage debt, as well as a difference in foreign exchange for the respective periods.

Total assets

Total assets increased to $177,640,703 as at December 31, 2021 from $60,332,290 as at December 31, 2020. The increase is a result of additional capital received from two private placements on February 17, 2021 and March 18, 2021, and cash received and paid in normal operations, offset by the acquisition of investment properties and transaction costs, repayment of VTB loans and payment of mortgage debt, as well as a difference in foreign exchange for the respective periods.

Total debt

Total debt decreased to $17,126,214 as at December 31, 2021 from $25,923,039 as at December 31, 2020. The decrease is a result of the repayment of the VTB loans and payment of mortgage debt.

Total equity

Total equity increased to $158,326,080 as at December 31, 2021 from $33,681,061 as at December 31, 2020. The increase is a result of additional capital received from two private placements on February 17, 2021 and March 18, 2021, additional contributed surplus from the vesting of stock options, offset by a net loss for the period.

Debt summary

The following table summarized the debt as of December 31, 2021:

	Maturity Range	Interest rate	December 31, 2021
Mortgages:			
At amortized cost – Fixed (i)	*Maturity: January 1, 2024*	4.46%	$ 8,199,628
At FVTPL - Mortgages (i)			8,876,796
- Interest rate swap(ii)			108,488
	Maturity: November 1, 2029	3.49%	8,985,284
Total mortgages			**17,184,912**
Financing costs, net (iii)			(58,698)
Carrying value			**$ 17,126,214**

i. The mortgage is collateralized by a first charge on the investment property.
ii. The mortgage consist of a non-revolving floating rate loan with fixed principal instalment amounts plus interest using an interest rate swap to fix the interest rate exposure to a notional rate of 3.49% per annum.
iii. The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization.

Principal repayments on mortgages in each of the next five years and thereafter are estimated as follows:

	Total
2022	484,933
2023	504,291
2024 (i)	8,020,432
2025	289,383
2026	299,646
Thereafter (i)	7,586,227
	$ 17,184,912

i. Includes debt balance due at maturity.

As part of the non-brokered private placement on February 17, 2021, the Company paid back the vendor take back loans. The vendors used a portion of the funds to participate in the non-brokered private placement.

SHARES OUTSTANDING

As at the date of this report, the Company has:

- 236,464,424 issued and outstanding common shares (December 31, 2021 – 234,463,680)
- 7,400,000 common share stock options outstanding (December 31, 2021 – 7,400,000)
- No common share purchase warrants outstanding

Equity

The following table shows the change in number of common shares outstanding and share capital for the periods presented:

	Number	Amount
Balance as at December 31, 2020	114,854,257	$ 43,405,872
Shares issued – private placements	115,928,390	125,261,003
Shares issued – consideration for acquisition of investment properties	3,431,033	5,633,900
Shares issued – exercise of stock options	250,000	105,700
Share issuance cost	-	(5,507,574)
Balance as at December 31, 2021	**234,463,680**	**$ 168,898,901**

Stock Options

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at October 31, 2019	250,000	$ 0.28
Balance as at October 31, 2020	250,000	0.28
Balance as at December 31, 2020	250,000	0.28
Granted	7,400,000	1.50
Exercised	(250,000)	0.28
Balance as at December 31, 2021	**7,400,000**	**$ 1.50**

i. The Company granted 7,400,000 immediately vesting options to directors, officers, employees and consultants of the Company at an estimated grant-date fair value of $3,175,065. The options were valued using the Black Scholes valuation model with the following assumptions:

The fair value of each option granted is estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the year ended December 31, 2021	For the two months ended December 31, 2020	For the year ended October 31, 2020
Weighted averages:			
Exercise price	$1.50	-	-
Share price at grant date	$1.52	-	-
Expected stock option life	4 years	-	-
Expected volatility	33%	-	-
Risk-free interest rate	1%	-	-
Dividend yield	0%	-	-
Fair value per option at grant date	$0.43	-	-

As of December 31, 2021, the following stock options were outstanding and exercisable:

Exercise Price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
$1.50	7,400,000	7,400,000	9.73

Joint Venture Debt and Cash Obligations

Management of the Joint Ventures renegotiated existing debt within the Joint Venture to increase amortization and lower servicing costs. Additional reserves were established. The details are in Section 2 – Joint Venture Operations.

Subsequent to December 31, 2021, the Company contributed $557,712 to Fly Away Parking. .The Company does not expect an additional contribution will be made as the Joint Ventures have been restructured for cost and debt servicing.

Private Placements

Bought Deal and Non-Brokered Private Placement – February 17, 2021

On February 17, 2021, the Company completed (i) a bought deal private placement for $69,000,006 and (ii) concurrent non-brokered private placement for $14,999,999, each at a price of $0.95 per common share, issuing 72,631,585 and 15,789,473 common shares, respectively.

Bought Deal and Non-Brokered Private Placement – March 18, 2021

On March 18, 2021, the Company completed (i) a bought deal private placement for $40,261,500 and (ii) concurrent non-brokered private placement for $999,498, each at a price of $1.50 per common share, issuing 26,841,000 and 666,332 common shares, respectively. The funds from the non-brokered private placement on December 29, 2020, the private placements on February 17, 2021, and the private placements on March 18, 2021 (collectively "Private Placements") will fund future acquisitions and be used for general operational purposes. At the close of the private placements on March 18, 2021, the Company had 233,549,647 common shares issued and outstanding.

The Company raised $125,261,003 less commission fees in the above listed private placements.

Liquidity

Notwithstanding, the uncertainty caused by the COVID-19 pandemic, the Company has strengthened its liquidity position by completing private placements at higher valuations and acquired assets which will generate strong cash flows. The Company is in a strong position to strategically acquire assets which will be accretive to cash flows and net asset value.

As of December 31, 2021, the is the available liquidity of the Company:

		December 31, 2021		**December 31, 2020**
FV of unencumbered assets available to be encumbered	$	120,321,060	$	-
Borrowing capacity on unencumbered assets		66,176,583		-
Cash	$	21,797,256	$	9,140,322
Additional borrowing capacity on unencumbered assets (above)		66,176,583		-
Available liquidity	$	87,973,839	$	9,140,322

i. There are no assets required to be reserved and there are no unsecured debt agreements
ii. The borrowing capacity is calculated as unencumbered assets available to be encumbered multiplied by 55% loan to value.

Subsequent to December 31, 2021, the Company signed a commitment letter with a bank for a three-year $55 million credit facility to fund real estate acquisitions, refinance certain investment properties, and other general corporate purposes. The facility is comprised of a $35 million demand revolving term loan and a $20 million non-revolving term loan. No amount has been drawn from the $35 million demand revolving term loan as of the date of these consolidated financial statements and the non-revolving term loan of $20 million was fully drawn by a single drawdown, on April 27, 2022. Interest is payable monthly based on the bank's prime lending rate plus an applicable margin, and stand-by fees apply to the demand revolving term loan. Security on the loan includes first priority charges and assignment of rents on certain investment properties. The Corporation must maintain certain covenants which include a total debt to assets ratio, a tangible net worth ratio, and loan to value ratio.

CASH FLOW SUMMARY

A summary of the Company's consolidated cash flows is as follows:

		Twelve months ended December 31, 2021		Two months ended December 31, 2020
Cash flows (used in) from operating activities	$	2,166,304	$	(229,259)
Cash flows (used in) from investing activities		(99,684,493)		(1,144,279)
Cash provided by financing activities		110,178,443		9,947,018
Increase in cash and cash equivalents		12,660,254		8,573,480
Foreign exchange effect on cash		(3,320)		(21,793)
Cash balance, beginning of the period		9,140,322		588,635
Cash balance, end of period	**$**	**21,797,256**	**$**	**9,140,322**

Operating Activities:

The Company received net cash of $2,166,304 from operating activities for the twelve months ended December 31, 2021, compared to cash used of $229,259 in operations for the two months ended December 31, 2020, which reflects the Company's shift into an industrial real-estate platform and operating investment properties.

Investing Activities:

The Company used net cash of $99,684,493 in investing activities for the twelve months ended December 31, 2021, compared to cash used of $1,144,279 from investing activities for the two months ended December 31, 2020, as a result of payments for investment properties and the transaction costs and land transfer tax associated with those purchases. The Company also contributed $172,456 to its joint venture Fly-Away Parking for the twelve months ended December 31, 2021, compared to a contribution of $538,365 for the two months ended December 31, 2020. The Company did not receive any distributions from its joint ventures for the twelve months ended December 31, 2021, compared to receiving $538,365 for the two months ended December 31, 2020.

Financing Activities:

The Company received net cash of $110,178,443 in financing activities for the twelve months ended December 31, 2021, compared to net cash of $9,947,018 for the two months ended December 31, 2020, as a result of two private placements for $125,261,003 less fees on February 17, 2021 and March 18, 2021, the repayment of vendor take back loans, and monthly repayment of mortgage debt.

SECTION 7 – DISCLOSURES

OFF BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

None.

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Senior management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Senior management personnel include the Company's executive officers and members of the Board of Directors.

		For the year ended December 31, 2021		For the two months ended December 31, 2020		For the year ended October 31, 2020
Total for all senior management:						
Salaries, fees, short-term and termination benefits	$	264,678	$	86,531	$	232,132
Share-based compensation		1,732,018		-		7,606
		1,996,696		86,531		239,738
Total for all directors:						
Director fees (note 13)		160,000		20,200		119,200
Share-based compensation		1,204,386		-		-
		1,364,386		20,200		119,200
Total	**$**	**3,361,082**	**$**	**106,731**	**$**	**358,938**

Transactions with related parties

Included in accounts payable and accrued liabilities as of December 31, 2021 is $9,361 due to officers for expense reimbursements. Included in accounts payable and accrued liabilities as of December 31, 2020 is $55,000 due to former officers. Included in accounts payable and accrued liabilities as of October 31, 2020 is $89,200 due to directors and officers for fees and expense reimbursements.

Concurrent with completion of the investment properties acquisitions on December 29, 2020, the Company entered into a property management agreement with Access Results Management Services Inc. ("ARMS"). ARMS and the Company are related by having common members on its Board of Directors. The management agreement has, subject to certain conditions, a five-year term. The Company also receives invoices from ARMS and its related companies for construction, maintenance and other services related to the day-to-day property management. No amount was accrued for the period December 29 to December 31, 2020. During the year ended December 31, 2021, the Company incurred total expenses of $999,730 from ARMS and its related companies relating to salaries, rent, construction fees and financing fees. As at December 31, 2021, $2,470,683 of costs have been capitalized to investment properties, $1,069,163 is included in accounts payable and accrued liabilities and $104,203 is included in accounts receivable.

The Company purchased industrial properties on December 29, 2020 and March 18, 2021, which had existing leases with companies controlled by two directors of the Company. The Company earned $650,267 in rental income from these leases during the year ended December 31, 2021. No amount was accrued for the period December 29 to December 31, 2020.

On March 18, 2021, the Company purchased an industrial property located in Ottawa, Ontario, for an aggregate purchase price of $28,500,000, subject to customary adjustments. The vendor of the property, Access Self Storage Inc. ("Access") is a related party to Parkit and the acquisition constituted a non-arm's length transaction. Access and the Company are related by having common members on its Board of Directors. The purchase price was satisfied through the issuance of an aggregate of 2,667,000 common shares in the capital of Parkit at a price of $1.50 per share with the remainder of the purchase price paid with available cash on hand.

In connection with the purchase of two industrial properties on December 29, 2020, from then two arm's length private companies, the Company's Board of Directors was reconstituted with the addition of three new directors. The lenders of the vendor-take back loans on these properties then became related to Parkit by having common members on its Board of Directors. On February 16, 2021, the Company repaid in full the outstanding vendor take-back loans' principal of $8,350,168 plus accrued interest of $66,402 (notes 9 and 11).

On July 1, 2018, the Company entered into an office lease agreement with an officer of the Company for premises located in Toronto, Ontario. Effective July 1, 2020, the agreement was renewed on a month-to-month basis at $500 per month plus taxes. The Company subsequently terminated the office lease agreement effective January 31, 2021.

CONTRACTUAL OBLIGATIONS AND COMMMITMENTS

The Company has a commitment to contribute 5% of any capital call made by the joint venture. Capital calls will be made for the purpose of acquiring new parking real estate assets as jointly agreed by the members, and at other times as the joint venture may require working capital.

Subsequent to December 31, 2021, the Company contributed $557,712 to Fly Away Parking. The Company does not expect an additional contribution will be made as the Joint Ventures have been restructured for cost and debt servicing.

PROPOSED TRANSACTIONS

Unless otherwise mentioned in the MD&A there are no proposed transactions.

CONTROLS AND PROCEDURES

For the purposes of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the Company is a Venture Issuer and has made no representations relating to the design and evaluations of the disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") and it has not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Parkit's shares trade on the TSX-Venture Exchange under the symbol PKT, and the OTC under the symbol PKTEF.

Additional information related to the Company is available on SEDAR at www.sedar.com.

SECTION 8 – RISKS AND UNCERTAINTIES

In addition to the specific risks discussed in this MD&A, the Company is exposed to various risks and uncertainties, many of which are beyond the control of the Company and could impact the business, financial condition, operating results and prospects. The shareholders should consider these risks and uncertainties when assessing the Company's outlook in terms of investment potential.

The following is an analysis of some key factors that influence the Company's operations:

COVID-19

While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic, and it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak. The economic downturn resulting from the COVID-19 pandemic and government measures to contain it may, in the short or long term, materially adversely impact the Company's industrial and parking operations and financial performance. A recovery in operations will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, increase in government regulations, "lockdowns", and the resulting impact to economies and to the demand. With respect to parking, the recovery of air travel will be an important factor to the parking facilities that primarily service nearby airports. It is difficult to estimate the nature, timing, and extent of the business and economic impact on the Company's financial performance or its ability to raise funds, and this uncertainty could materially affect the Company's operations and financial condition.

Current Economic Environment

Continued concerns about the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, the mortgage market, distressed commercial real estate market and the global outbreak of COVID-19 have contributed to increased market volatility and a weakened business and consumer confidence. Market uncertainty have also adversely impacted on the ability of the Company's tenants and operators to maintain occupancy rates in properties which could harm our financial condition.

Future Financing, Interest Rate and Access to Capital

We may require additional financing in order to fund our operations or business expansion. The Company is subject to risk associated with both debt and equity financing. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Competition

In the real estate business, the Company faces significant competition with developers, managers, and owners of industrial properties competing to acquire properties and also seeking tenants. Some of the Competition may be better capitalized and may be strong financially and hence better able to withstand an economic downturn. The competition could negatively affect the Company's ability to lease space and acquire properties which could adversely affect the Company's financial condition.

The Company's parking facilities directly compete with existing parking facilities and results are affected by availability of other facilities servicing the same geographic region. The proximity of competitors that will have an impact on operations varies from type of parking facility (off-airport, stadium, central business district).

Real Property Ownership and Tenant Risks

The Company owns properties in the portfolio and is expected to acquire other real property in the future.

The value of the real property depends on the credit and financial stability of tenants and on minimizing vacancy rates. The Company's financial condition will be affected by the tenants' ability to meet their obligations and the Company's ability to lease vacant space. During the term of a tenants' occupancy, the Company has lease provisions requiring tenants maintain continuous occupancy, but there is no assurance that the tenants will maintain their occupancy. At the end of a lease term, a tenant may not renew their lease and there are no assurances that the tenant will be replaced. The terms of subsequent leases may be less favourable than the existing lease.

Geographic

The Company's investment properties are located in Ontario in the Toronto and Ottawa region. The Company's performance and the value of the investment properties are sensitive to changes in the economic condition and regulatory environment of Ontario, and any adverse changes in economic condition or regulatory environment may adversely affect its financial condition.

The Company's parking assets are located in the US. The performance of the joint ventures and the value of the parking assets are sensitive to changes in the economic condition and regulatory environment of the US, and any adverse changes in economic condition or regulatory environment may adversely affect its financial condition.

Fixed costs

The Company's investment properties have fixed costs including but not limited to property taxes, maintenance costs, mortgage payments, insurance costs, ongoing servicing costs and capital expenditures. Significant vacancy will have an adverse effect on the Company's financial condition. The timing of capital expenditures may also affect the capital and liquidity of the Company.

Future Acquisitions

As part of our business strategy, the Company plans to grow through identifying acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If the Company is unable to manage growth effectively, it could adversely impact the financial condition of the Company.

Acquisitions and developments rely on the representations and warranties given by third parties to protect against undisclosed, unknown, or unexpected liabilities which may adversely affect the Company's financial condition. The representations and warranties may not adequately protect against all liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. The acquisitions and developments may not meet the Company's expectation of operational or financial performance due to unexpected costs and other unknown items which is inherent to the any real estate acquisition.

Developments

Development and expansion of properties have significant risks including, but not limited to, contractual risks, construction risks, inflation and cost risks, shortages of experience labour, trades and services, and regulation risk associated with entitlements, zoning, and permit approval. The COVID-19 pandemic adds additional risks to the development process which include but are not limited to, potential development delays, fluctuations in costs, slower pace of lease-up, lower sales price and lower property valuation. The effect of the COVID-19 pandemic are uncertain and difficult to predict. There are no certainty to the timing, cost and financial yield of the development activities.

Industry Regulation

There can be no assurances that we may not be negatively affected by changes in Canada, United States, or other legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

Our operations are governed by a broad range of federal, state, provincial and local environmental, health and safety laws and regulations, permits, approvals, common law and other requirements that impose obligations in relation to, among other things: worker health and safety. As such, there are potential liability risks (including potential civil actions, compliance or remediation orders, fines and other penalties) with respect to certain aspects of our businesses.

Cybersecurity Risk

Cybersecurity is an increasing area of focus as the Company relies on digital technologies in its operations. The introduction of work from home, reliance on computers, digital devices, digital storage, banking and other services increase the exposure to cyber related risks. Cyber-attacks can include but are not limited to phishing, virus, cyber extortion, social media fraud, financial theft, identity theft and attacks on personal and sensitive data. The Company has programs, systems and processes to protect against cyberattacks but the results of successful attacks could have an adverse impact on the Company’s financial condition.

The Company is continuing to evolve its security protocols and has engaged technology vendors concerning data security, access controls and other programs.

General insured and uninsured risks and potential litigation

The operations of the Company have an inherent liability risks. The Company may be the subject of complaints, litigation from tenants, employees or third parties. The damages claimed could be substantial.

The Company carries comprehensive general liability, fire and flood and extended coverage and rental loss insurance with standard policy specifications, limits and deductibles. There can be no assurance that all claims will be covered by the insurance coverage. A successful claim against the Company could materially affect the financial condition of the Company.

Conflicts of Interest

Certain directors and officers are, and may continue to be, involved in consulting activities outside of their roles with the Company. Situations may arise where the other interests of these directors and officers may conflict with our interests. Directors and officers of the Company with conflicts of interest will be subject to and follow the procedures set out in applicable corporate and securities legislation, regulation, rules, and policies.

Dependence on, and Protection of, Key Personnel

We depend on the continued support and involvement of our directors and officers to develop our business and operations, and the services of our key technical, sales, marketing, and management personnel. The Company is also dependent on its property manager and asset manager, ARMS, which manages its investment properties. The loss of any of these key persons or a change to its relationship with ARMS could have a material adverse effect on our business, our results of operations, our ability to implement our business plans, and our financial condition. Our success is also highly dependent on our continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and we cannot provide assurance that we will be able to attract or retain highly qualified personnel in the future. Our inability to attract and retain highly qualified technical, sales, marketing and management personnel may adversely affect our future growth and profitability. It may be necessary for us to increase the level of compensation paid to existing or new employees to a degree that our operating expenses could be materially increased. We do not currently maintain corporate life insurance policies on key employees.

Currency Fluctuations

Our revenue and operating expenses are incurred in Canadian and U.S. dollars. Fluctuations in the exchange rate between the U.S. and Canadian dollar may have a material adverse effect on our business, financial condition, and operating results.

Internal Controls and Procedures

Management of the Company has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements of the Company do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented thereby, and (ii) the financial statements of the Company fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented. However, as a venture issuer, the certifying officers of the Company filing such financial statements do not make any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis disclosure controls and procedures, and internal controls over financial reporting, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk is primarily on its cash and receivables. All of the Company's cash is held with reputable financial institutions. The Company's policy is to deal only with creditworthy counterparties. None of the Company's financial assets are secured by collateral or other credit enhancements.

With respect to the joint venture activities, the main activities are the management fee receivables and distributions from a joint venture partner. In determining expected credit losses from these counterparties, the Company considered estimated future cash-flows of the joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company has credit risk from the possibility that tenants in investment properties may not fulfill their lease or contractual obligations. The Company mitigates its credit risk by attracting tenants of sound financial standing and by diversifying its mix of tenants. The Company also monitors tenant payment patterns and discusses potential tenant issues with property managers on a regular basis. The maximum exposure to credit risk is the carrying value of the accounts receivables disclosed in the financial statements. An impairment analysis is performed at each statement of financial position date using a provision matrix to measure expected credit losses, adjusted for forward-looking factors specific to the tenant and the economic environment. The provision is reduced for tenant security deposits held as collateral.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages maturities of the fixed rate debts, monitors the repayment dates and maintains adequate cash on hand and to ensure sufficient capital will be available to cover obligations as they become due. The Company expects to fund its operations and liabilities through existing cash resources, revenue generated from operations, additional debt and equity financings (note 22), and from funds raised through the partial disposition of interests in its assets. Subsequent to December 31, 2021, the Company signed a commitment letter with a bank for a three-year $55 million credit facility (note 22).

Based on the funds from the private placements and the Company's twelve month cash flow forecast, the Company has sufficient capital to fund its targeted acquisitions and meet its current obligations and corporate overheads.

The maturity analysis of financial liabilities as at December 31, 2021 is as follows:

	Total	2022	2023	2024 (ii)	2025	2026	Thereafter
Debt – principal (note 9)	$ 17,184,912	$ 484,933	$ 504,291	$ 8,020,432	$ 289,383	$ 299,646	$ 7,586,227
Debt – interest payments(iii)	2,912,265	667,288	647,930	319,135	280,717	270,454	726,741
Accounts payable and other liabilities (iii)	2,132,081	1,751,431	125,607	13,065	46,922	30,581	164,475
Total	**$ 22,229,258**	**$ 2,903,652**	**$ 1,277,828**	**$ 8,352,632**	**$ 617,022**	**$ 600,681**	**$ 8,477,443**

i. The amounts disclosed in the table above are contractual undiscounted cash flows.
ii. Includes debt balance due at maturity.
iii. The table above reflects the payment in 2022 of the accrued interest payable of $56,328 (note 10) as of December 31, 2021 in "debt – interest payments" and is excluded from "accounts payable and other liabilities".

Environmental Risk

Environmental risk is inherent in the ownership of real property. Various municipal, provincial and federal regulations can result in penalties or potential liability for remediation should hazardous materials enter the environment. The presence of hazardous substances could also impair the Company's ability to finance or sell the property, or it may expose the Company to civil lawsuits. To mitigate such risk, the Company will procure recent or updated environmental reports for all acquisitions. It also prohibits the storage of hazardous substances as a condition of the rental contract signed by tenants.

Market Risk

a) Interest rate risk

Interest rate risk arises from changes in market interest rates that may affect the fair value of future cash flows from the Company's financial assets or liabilities. The Company is exposed to interest rate risk primarily relating to its long-term debt.

Interest rate risk may be partially mitigated by holding both fixed and floating rate debt, or by staggering the maturities of fixed rate debt. The Company will manage interest rate risk by utilizing fixed interest rates on its mortgages where possible, entering into interest rate swap contracts, staggering maturities over a number of years to mitigate exposure to any single year, and by attempting to ensure access to diverse sources of funding. The Company currently only has fixed rate debt and debt hedged with an interest rate swap, so the Company will have no exposure to fluctuations in interest rates on its current debt.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, long-term receivable, and its accounts payable and accrued liabilities, denominated in US Dollars.

The Company's main foreign currency risk comes from its investment in joint ventures, where all the parking assets are located in the USA.

c) Price risk

The Company is not exposed to any significant price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.