PARKIT ENTERPRISE INC

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION FOR THE YEAR ENDED OCTOBER 31, 2016

Table of Contents

PARKIT
ENTERPRISE INC

This Management's Discussion and Analysis ("MD&A") is prepared as of February 28, 2017 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 October 31, 2016 ("2016"). This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended October 31, 2016 (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.

SECTION 1

FORWARD LOOKING STATEMENTS

Certain statements contained in this Management Discussion & Analysis ("MD&A") constitute forward-looking statements. These statements reflect, among other things, management's expectations regarding the Company and the Company's business. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or event to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements are current only as of the date of the MD&A. The Company disclaims any obligation to publicly update or revise such statements to reflect any change in expectations, events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those in the forward looking statements, except as required by National Instrument 51-102.

In particular, this MD&A contains forward-looking statements pertaining to the following:

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

Actual results could differ materially from those anticipated in this MD&A as a result of the risk 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; and
- The other factors discussed under "Risk Factors".

These factors should not be construed as exhaustive.

NON-IFRS MEASURES

Certain terms used in the MD&A such as "Earnings Before Interest, Tax, Depreciation and Amortization" ("EBITDA"), "Net Operating Income" ("NOI"), "Funds From Operations ("FFO"), "Yield", "Occupancy", "Gross Book Value", "Appraised Value", " Capitalisation (Cap) Rates", "Investor Rate of Return" and any related per Unit 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 parking 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 publically traded companies.

EBITDA is a non-IFRS measure commonly used as a measurement tool in Canadian businesses. For the purposes of this MD&A, EBITDA is calculated as earnings determined under IFRS less amounts included for interest, taxes, depreciation and amortization included in the IFRS financial statements.

NOI is a non-IFRS measure commonly used as a measurement tool in real estate businesses. For the purposes of this MD&A, NOI is calculated as earnings determined under IFRS less amounts included for corporate expenses, other expenses, interest, taxes, depreciation and amortization included in the IFRS financial statements.

SECTION 2

BUSINESS OVERVIEW

Parkit Enterprise Inc. is an alternative real estate investment firm engaged in the acquisition, optimization, and asset management of income-producing parking facilities across the United States and Canada. As asset manager and investor, the Company has multiple sources of revenue (management fees, acquisition fees, and earnings in equity). Parkit will aggregate a large portfolio of assets, the market value of which will benefit from yield improvement and scale premium. Upon disposition, Parkit will realize capital gains and incentive distributions.

As a listed asset manager and investor, the combination of income streams and gains in intrinsic value (unrealized capital gains) provide Parkit shareholders a rare opportunity for leveraged returns alongside institutional private equity.

The Company's primary asset and source of revenue is a 22% equity interest in OP Holdings JV LLC ("OP Holdings," or "the joint venture"). On April 22, 2015, the Company entered into a joint arrangement with Parking Real Estate, LLC ("PRE") and Och-Ziff Real Estate to form OP Holdings JV, LLC ("OP Holdings") (the "Transaction"). Upon closing the Transaction, OP Holdings acquired six assets, including two in which Parkit held equity, Expresso Airport Parking ("Expresso") and Canopy Airport Parking ("Canopy").The majority member of OP Holdings is Och-Ziff Real Estate ("Och-Ziff"), a division of an institutional asset manager with US$45 billion in assets under management. OP Holdings will seek to acquire and aggregate US$500 million of parking real estate located in North America over a three to five year period.

As part of the Transaction, the Company's subsidiary, Greenswitch America and PRE jointly created separate legal entities, Parking Acquisition Ventures, LLC ("PAVe LLC") and PAVe Admin, LLC to manage and oversee the parking assets of OP Holdings as an administrator. The Company has an 87% economic interest in PAVe LLC, which is a 25% equity member of OP Holding. PAVe Admin is an entity created for legal purposes and hold no assets or liabilities.

In addition, on October 30, 2015, the Company holds an investment in Fly-Away Airport Parking ("Fly-Away Parking"), servicing the Nashville International Airport, in which PAVe LLC acquired a 50% interest.

Parkit and its strategic partner, PRE, are responsible for the asset management activities of OP Holdings and Fly-Away Parking. PRE is comprised of senior executives at Propark America, Inc. ("Propark"), an established parking manager with a three-decade history of managing and developing parking facilities.

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

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

STRATEGIC DIRECTION

Parkit's investment strategy is to maximize shareholder value through growing income streams, and increasing the intrinsic value of portfolio assets. Investments provide income growth through management fees, incentive fees and returns on invested equity. Targeted acquisitions will have 2% to 3% yield improvement potential, and portfolio scale will allow for aggregation premium on sale. Combined, these factors increase the Company's intrinsic value significantly over time. While Parkit's assets are not marked-to-market, and gains in intrinsic value are not recognized in the Company's financial statements, this value is ultimately monetized on disposition.

The Company believes that a geographically diversified parking real estate portfolio possesses excellent potential to generate attractive risk-adjusted returns. On a macro level, both the improving fundamentals of the US economy and the continued strength of the US dollar should provide positive long-term benefits for shareholder value.

Parkit's primary investment is in a joint venture, OP Holdings, alongside with Och-Ziff Real Estate and Parking Real Estate LLC. This joint venture brings together best-of-class alternative real estate investment expertise and parking management expertise. Along with asset level debt financing, OP Holdings has access to sufficient equity capital to grow the portfolio.

As its initial contribution towards the joint venture, Parkit divested substantially all of its equity in Canopy Airport Parking, Denver ("Canopy") and Expresso Airport Parking, Oakland, into OP Holdings. Concurrently, as part of a larger acquisition strategy, the joint venture invested in four additional assets, for a total asset value of $82.6 million, assuming the full repayment of all associated conditional earn-outs.

Since acquisition, the yield on this portfolio has improved 1.9% through execution of our optimization strategies that continue to improve returns. As a result, the Company believes Parkit's intrinsic valuation is significantly more than its book value, and expects the gap to grow over time.

As with Fly-Away Parking, Parkit will also acquire assets independent of OP Holdings, either outright or jointly, with the objective of incubating or optimizing assets for sale into the joint venture or elsewhere.

To more fully take advantage of the North America wide joint venture agreement, the Company has initiated discussions with potential strategic partners to assist in the provision of deal flow for future acquisitions.

For further information visit the Company's website at www.parkitenterprise.com.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

The Company recorded income attributable to shareholders of the Company of $615,860 for the year ended October 31, 2016 as compared to $15,009,083 in the year ended October 31, 2015. The Company's financial results for the year ended October 2016 reflect the first full fiscal year of operations following completion of the OP Holdings transaction in April 2015 while the prior year results are impacted by the sale of the OP Holdings transaction, including the sale of Canopy by Green Park Denver. The sale of Canopy resulted in a significant gain on the sale in 2015 and the deconsolidation of Green Park Denver subsequent to the transaction. The Company's continuing interest in Canopy is reflected in its share of the earnings of its OP Holdings joint venture, which is accounted for using equity accounting.

	October 31, 2016	October 31, 2015
Summary of Company Financial Information		
Fee income	$ 258,405	$ 138,327
Share of profit from associate	1,006,162	-
Share of profit from joint venture	1,122,447	1,580,543
Net income from property operations	-	831,115
Gain on disposal of Canopy	-	26,129,679
General and administrative expenses	(1,882,564)	(1,575,038)
Foreign exchange gain (loss)	63,485	1,039,624
Finance income (expense)	1,875	(402,339)
Income tax recovery (expense)	46,050	(60,605)
Net (loss) income	**615,860**	**27, 681,306**
Profit attributable to non-controlling interest	-	*(12,672,223)*
Profit attributable to Parkit	**615,860**	**15,009,083**
Net assets	**16,755,566**	**16,384,898**

SUMMARY OF SIGNIFICANT EVENTS

OP Holdings achieves NOI growth over the year

The Company has an investment in OP Holdings, a joint venture owning six US parking facilities held through PAVe LLC. PAVe's investment in OP Holdings has a book value of $10.6 million, and generated profit of $1,427,102 for year ended October 31, 2016 ("2016"). The Company's share of PAVe LLC's profit for 2016 amounted to $1,213,104 as compared to $743,611 in the prior year from the time of the OP Holdings transaction. The OP Holdings portfolio achieved NOI growth of 6.1% in US$ terms against the prior year but contracted 4.9% against the prior three-month period reflecting the seasonality effect on off-airport parking. NOI growth has resulted in a 1.9% yield improvement since acquisition, approaching the optimization improvements of 2% - 3% targeted for the life of the investment.

Overall the OP Holdings portfolio of properties is performing well and management expects that based on performance to date, that the second earn-out performance hurdle will be met.

Increase in investments in joint ventures

The book value of the investment in joint ventures increased by approximately $1.6 million during the year, reflecting the contribution to OP Holdings of $1.8 million of the first earn-out consideration earned in Q2 2016. Equity earnings from joint ventures of $1.12 million approximated distributions of $1.16 million during the year. Properties in the portfolio held by the Company's joint ventures are not marked-to-market, resulting in a gap between the book and intrinsic value of the properties. The annualized cash yield for the investment is in excess of 12%. The Company believes this will continue to be positively impacted with expected further optimization.

Nashville off-airport facility turn-around strategy implemented

On October 30, 2015 the Company invested, through its joint venture PAVe LLC in Fly-Away Airport Parking, Nashville ("Fly-Away Parking"). The Company continues to make progress implementing a turn-around strategy for this asset, and in Q4 2016, Fly-Away Parking again contributed positively to profitability generated positive cash flows, and NOI. Progress has been made in implementing yield improvement strategies, and it is expected that this will result in significant growth in NOI over 2017.

Contested election of Board of Directors

On May 18, 2016, a group of dissidents led by the former President and Chief Executive Officer of Parkit and including the former Chief Investment Officer the former Chief Financial Officer of Parkit, (the "Former Officers") filed a dissident proxy circular in an attempt to take control of the board of directors of the Company by proposing a new slate of directors at an annual general shareholder meeting scheduled on June 21, 2016 ("AGM").

On June 2, 2016, the Company announced the immediate suspension with pay of the Former Officers until the end of the AGM (the "Suspension Period"). The Board engaged Bryan Wallner, who was one of the current independent directors of the board at the time, to serve as Interim CEO and Nigel Kirkwood to serve as Interim CFO during the Suspension Period.

On June 6, 2016, the Company announced that the AGM of Parkit had been changed from June 21, 2016 to July 26, 2016. At the AGM on July 26, 2016, shareholder holders supported the current Board and re-elected Robert Emri, Pesach (Pace) Goldman, Joel Dumaresq, Dave Mullen and Bryan Wallner. The Company incurred proxy solicitation and related costs of $374,104 in connection with the AGM and proxy process.

Change of Management and Director Resignation

On August 12 and 15, 2016, the Company terminated the employment of the Former Officers without notice and without payment of any compensation in lieu of notice. In all three cases, the Company believed, and it continues to believe, that it had (and continues to have) no liability to give any notice or pay any severance to any of the three former officers. However, in February 2017, believing it to be in its best interest, the Company entered into separate confidential settlement agreements with each of the former Chief Financial Officer and former Chief Investment Officer. The aggregate amount from both settlement agreements is not material and has been accrued in the financial statements.

On December 6, 2016, counsel for the former Chief Executive Officer made a demand for compensation, which was rejected by the Company. While the Company continues to believe that it has no liability to have given any notice or to pay any severance to the Chief Executive Officer, the Company is unable to predict the outcome or potential liability, if any, arising from the termination of the former Chief Executive Officer at this time and no further amount has been accrued in the financial statements.

On August 16, 2016, the Company announced that it had appointed Bryan Wallner as its President and Chief Executive Officer and Nigel Kirkwood as its Chief Financial Officer and that Richard Baxter, Patrick Bonney and Simon Buckett had left the Company (the "Former Officers").

On August 22, 2016, Mr. Emri resigned as a director of the Company.

Significant general and administrative cost reductions expected in 2017

The Company incurred certain one-off expenses or non-cash charges exceeding $0.8 million reported in general and administrative expenses for the year ended October 31, 2016. In addition, as a result of the changes to the Company's management, a reduction in the size of the Company's board of directors, a decision to relocate the Vancouver office to smaller premises and other cost saving initiatives, the Company expects to realize further net annualized cash cost savings of approximately $0.3 million.

Management activity

Since its appointment in August 2016, the Company's new management, together with the support of the directors, has been focused on matters relating to the transition of the management of the Company. Recently, the CEO and Chairman of the Board met in New York with the Company's joint venture partners, PRE and Och-Ziff and have maintained good working relations with each. In the time since its appointment, management has been actively identifying and evaluating prospective assets for investment or purchase. To date none of the opportunities reviewed has met the investment objectives of the Company or its joint venture partners.

PARKIT
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SECTION 3

SUMMARY OF OPERATIONS

A summary of the results of operations for the three-month periods and years ended October 31, 2016 and 2015 are as follows:

	Three months ended October 31, 2016	Three months ended October 31, 2015	October 31, 2016	October 31, 2015
Fee income	$ 45,650	$ 66,091	$ 258,405	$ 138,327
Share of profit from associate	1,006,162	-	1,006,162	-
Share of profit from joint ventures	348,098	118,537	1,122,447	1,580,543
Net income from property operations	-	455,685	-	831,115
Gain on disposal of Canopy	-	405,091	-	26,129,679
General and administrative expenses	(568,833)	(600,561)	(1,882,564)	(1,575,038)
Income from operations	**831,077**	**444,843**	**504,450**	**27,104,626**
Foreign exchange gain / (loss)	86,141	(861,289)	63,485	1,039,624
Finance income	-	-	1,875	-
Finance expense	-	(2,799)	-	(402,339)
(Loss) Income before tax	**917,218**	**(419,245)**	**569,810**	**27,741,911**
Income tax (expense) / recovery	(3,748)	(60,605)	46,050	(60,605)
Net income (loss)	**913,470**	**(479,850)**	**615,860**	**27,681,306**
Profit allocated to non-controlling interests	-	66,439	-	(12,672,223)
Income (Loss) attributable to Parkit	**913,470**	**(413,411)**	**615,860**	**15,009,083**

Note: All revenues, operating expenses and share of profit from joint venture are in US dollars and translated to CAD dollars for the financial statements. Thus quarter-on-quarter comparisons are subject to variation in foreign exchange fluctuation.

Discussion of results for the three-month period ended October 31, 2016

For the three-month period ended October 31, 2016 ("Q4 2016"), the Company reported income attributable to Parkit of $913,470 (2015 – loss of $413, 411) comprised of income from operations of $831,077 (2015 - $444,843) and a foreign exchange gain of $86,141 (2015 – loss of $861,289). The more significant items are discussed below.

Fee income

The Company receives service fees as the asset manager of OP Holdings. In Q4 2016, the Company earned fees of $45,650 (2015 – $66,091), which was lower than in the comparative year period reflecting the reset of the asset management fees to a lower rate effective on the one year anniversary of the OP Holdings transaction pursuant to the joint venture agreement.

Share of profit from associate

The Company's share of profit from associate represents its equity participation of income in Green Park Denver relating to the fair value adjustment of the contingent consideration for the sale of Canopy. Fair value adjustments to the contingent consideration arise principally from the accretion of the discounted value over time as well as the reversal of any impairment for achievement risk. In Q4 2016, the Company recorded share of profit from associate of $1,006,162 (2015 - $nil), which includes the fair value adjustment previously recorded in other comprehensive income (OCI), realized during 2016 when the first tranche of the earn-out consideration was received and the accretion of the discounted value of the remaining earn-out consideration amount recognized during the period.

Share of profit from joint ventures
The Company recorded $348,098 (2015 - $118,537) in book profits from joint ventures, which reflects the Company's share of profits from PAVe LLC (OP Holdings and Fly-Away Parking) and any residual income or expenses from 880 Doolittle Dr. ("Doolittle") following its sale of Expresso to OP Holdings. The lower share of profits from joint ventures in the prior year comparative period reflects a loss attributable to 880 Doolittle during the period arising from various estimate true-up adjustments recorded in Q4 2015. The profit for Q4 2016 represented a 3% increase quarter-on quarter.

The Company received cash distributions from its joint ventures of $311,405 during Q4 2016.

The PAVe LLC book profit also includes the Company's 50% participation in Fly-Away Parking, which generated a profit for the Company of $6,865 in Q4 2016, down from $39,614 in Q3 2016, which is consistent with the seasonal expectation for off-airport parking facilities.

Net income from property operations
The Company sold its consolidated property, Canopy, in Q2 2015, and therefore in Q4 2016, there is no profit or loss from owned properties. The net income from property operations of $455,685 in the three-month period ended October 31, 2015 ("Q4 2015") arises from the translation of US$ revenue and expense balances to C$ using the average exchange rate for the year, and adjustments to depreciation and amortization estimations recorded in the period. Investments in owned properties were rolled into an investment in six properties through a joint venture vehicle, and are reported as share in profit from joint venture.

General and administrative expenses
In Q4 2016, general and administrative expenses decreased by $31,728 to $568,833 from $600,561 in the prior year period. The decrease in the current period reflects reductions in director fees paid and management salaries and fees paid following the termination of the Former Officers in August 2016 and no bonuses being paid to management in 2016 as compared with bonuses of $310,000 paid to the Former Officers in the comparative period. General and administrative savings realized during the quarter were substantially offset by the write-off of transactions costs capitalized in 2015, additional costs related to the proxy contents and the cost of confidential settlements reached with the former Chief Financial Officer and former Chief Investment Officer provisioned for in the Q4 2016.

Foreign exchange
In Q4 2016, the Company recorded a foreign exchange gain of $86,141, which reflects the impact of the appreciation of the US$ against the C$ during the quarter on the translation of the Company's US$ cash balances and the US$ denominated long-term receivable.

Year ended October 31, 2016

Fee income
In the year ended October 31, 2016 ("2016"), the Company earned fees of $258,405 (2015 – $138,327). Fee income increased in 2016 over the prior year reflecting a full year of asset management fees being earned as compared with only for the period following the date of completion of the OP Holdings transaction on April 21, 2015. The impact of the fees being earned over the full year in 2016 is partly offset by the reset of the asset management fees to a lower rate effective on the one year anniversary of the OP Holdings transaction.

Share of profit from associate

The Company recorded share of profit from associate of $1,006,162 (2015 - $nil), which includes the fair value adjustment previously recorded in other comprehensive income (OCI) realized during 2016 when the first tranche of the earn-out consideration was received, and the adjustment recognized during the period for the accretion of the discounted value over time of the remaining earn-out consideration amount.

Share of profit from joint ventures

The Company recorded $1,122,447 (2015 - $1,580,543) in book profits from joint venture, which includes the Company's participation in profits from PAVe LLC (OP Holdings and Fly-Away Parking) of $1,213,104 (2015 - $743,611) that is partly offset by a loss from Doolittle of $90,657 (2015 – profit of $836,932) arising from residual expenses during the period and taxes owing related to the sale of Expresso (See Financial Statements Note 8). The increased contribution from PAVe reflects a full year contribution from the OP Holdings joint venture and a modest contribution from Fly-Away reflecting improved performance in the second half of the year following its acquisition on October 30, 2015.

The Company received cash distributions from its joint ventures of $1,155,903 (2015 - $7,881,784) during the year, which was net of a clawback in Q3 of $76,087 in respect of state withholding taxes owing by Doolittle in connection with the sale of Expresso.

The PAVe LLC book profit also includes the Company's 50% participation in Fly-Away Parking, which generated a profit of $26,318 for the Company during 2016. The result reflects stronger operating performance in the second half of the year.

Net income from property operations and gain on sale of Canopy

There is no profit or loss from owned properties for 2016 as the Company sold Canopy to OP Holdings and deconsolidated the operations of Green Park Denver in 2015, which gave rise to the gain on sale. There were no properties acquired during the current year or divestments of properties which resulted in any gains or losses.

General and administrative expenses

In 2016, corporate expenses increased by $307,526 to $1,882,564 from $1,575,038 in the prior year period. The increase in the current year reflects the costs incurred in connection with the proxy contest, the write-off of transactions costs capitalized in 2015, and the cost of confidential settlements reached with the former Chief Financial Officer and former Chief Investment Officer provisioned for in the current year. These additional costs are partly offset by reductions in director fees paid and management salaries and fees paid following the termination of the Former Officers in August 2016. Management salaries and fees also included bonuses of $310,000 paid to the Former Officers in the comparative year period. There were no bonuses paid to management in 2016.

Income tax recovery (expense)

The Company recorded an income tax recovery for the year of $46,050 (2015 – expense of $60,605), which reflects an expected recovery of approximately $55,000 of state withholding taxes paid by Doolittle in connection with the sale of Expresso. The Company has recorded the amount as a receivable as at October 31, 2016.

Foreign exchange

During the year, the Company recorded a foreign exchange gain of $63,485, which reflects principally the impact of the appreciation of the US$ against the C$ during the year on the translation of the Company's US$ cash balances and the US$ denominated long-term receivable.

Finance expense

On April 22, 2015, the Company repaid in full a short-term loan with a principal balance of $5,476,000 and recorded interest expense of $402,339 during 2015.

FINANCIAL POSITION

The following table presents consolidated information for the latest interim period and the two most recently completed fiscal years:

	October 31, 2016	October 31, 2015	October 31, 2014
Current Assets	$1,890,948	$1,306,641	$ 1,097,960
Long Term Receivable [(1)]	1,554,295	1,941,952	1,082,400
Investment in Associate	2,985,393	4,708,364	-
Investment in Joint Ventures	10,583,266	9,018,751	6,323,172
Income Producing Property	-	-	15,581,319
Equipment	14,554	22,054	29,554
Total Assets	17,028,456	16,997,762	24,114,405
Current Liabilities	272,890	612,864	7,489,508
Long Term Liabilities	-	-	15,832,527
Total Liabilities	272,890	612,864	23,322,035
Equity	16,755,566	16,384,898	792,370

(1) As at October 31, 2016 management estimated a current portion of the long term receivable of $213,404 (2015 - $nil; 2014 - $nil) which is included with current assets

As at October 31, 2016, Current Assets are composed of $1.6 million of cash and $0.3 million of accounts receivables and prepaid expenses and deposits. The cash assets are retained by the corporate entity for operational expenses and future investment. The accounts receivable balance includes asset management fees, withholding taxes receivable and in 2016, the short-term portion of the Long-Term Receivable owing to Parkit from Parking Real Estate, ("PRE").

The Long Term Receivable represents advances (net of repayments) made by Parkit to PRE for the purpose of PRE's funding of investments in income producing properties and related costs of acquisition. This advance does not receive interest. As at October 31, 2016, the Long Term Receivable balance was $1.55 million (US$1.16 million) excluding the short term portion of $0.2 million, which is management's estimate of the amount it expects the Company will be repaid in 2017 from the assignment by PRE of its annual management fees from OP Holdings for the year. As at October 31, 2016, the aggregate of the current and non-current portions of the Long Term Receivable balance was $1.77 million (US$1.32 million) of which $481,011 (US$358,883) is to be repaid from the assignment of certain distributions due to PRE and the balance of $1,286,688 (US$960,000) is to be repaid upon a disposition of properties from OP Holdings or an exit from OP Holdings.

Investment in Associate is the Company's equity share of assets held in Green Park Denver, and represents the remaining fair value of conditional consideration to be received from the sale of Canopy. The decrease in the Investment in Associate balance in the year ended October 31, 2016 is substantially attributable to contingent consideration of $2.2 million (US$1.7 million) earned in Q2 2016. In addition, during the period the Company received further distributions of residual cash in Canopy of $0.2 million (US$153,468) in Q1 2016 and recorded finance income of $673,140 as a result of a decreasing discount period. The second tranche of the contingent consideration receivable is payable on April 22, 2017, subject to achievement of the OP Holdings performance target. At this time management believes that OP Holding earnings performance is on track to achieve the earnings performance target.

Investment in Joint Ventures increased to $10.6 million as at October 31, 2016 from $9.0 million at October 31, 2015. This increase is as a result of contributions by the Company of $1.8 million (US$1.4 million) funded from the contingent consideration earned in Q2 2016 and a book profit recorded of $1.1 million, which is partly offset by cash distributions of $1.2 million during the year and a write-off of capitalized transaction costs of $0.2 million. Properties in the portfolio are not marked-to-market, resulting in a gap between the book and intrinsic value of the properties. Any erosion of book value due to cash distributions further increases this gap. There have been no indicators of impairment of the portfolio assets, and the Company believes that the intrinsic value of the properties is significantly higher than the carrying value as a result of improved yield, aggregation and the expected ability to achieve a premium price on the eventual sale.

The decrease in current liabilities as at October 31, 2016 compared to October 31, 2015 reflects the final payments during the year of the amount owing in accordance with the settlement of a claim with RBC Real Estate Group Inc. reached in Q1 2016.

INVESTMENTS

ALL INVESTMENTS ARE IN THE UNITED STATES. ALL RESULTS IN THE INVESTMENT SECTION DISCUSSION ARE IN US DOLLARS

Parking Acquisition Ventures LLC ("PAVe LLC")

PAVe LLC has different classes of membership units, and the entitlements to distributions from these investments are different among each class. The Company is entitled to an 86.67% economic allocation of distributions from OP Holdings to PAVe LLC. However, the Company determined it does not control PAVe LLC as control is shared jointly with PRE, and accordingly it accounts for the entity as a joint venture (See Financial Statements note 8).

PAVe LLC is a 25% equity member of OP Holdings with PAVe LLC. The Company has established that through PAVe LLC's role as an administrator and equity member of OP Holdings, PAVe LLC is able to exert significant influence over OP Holdings and accordingly PAVe LLC accounts for its 25% interest in OP Holdings as an investment in associate (See Financial Statements note 8).

On October 30, 2015, the Company invested US$677,865 in PAVe LLC for the acquisition of Fly-Away Parking by PAVe Nashville, LLC ("Nashville"). Nashville is held by PAVe LLC directly, and is not part of OP Holdings. The Company is entitled to a 50% economic allocation of distributions from Nashville to PAVe LLC.

Equity earnings for the year from the PAVe joint venture was US$916,607 (2015 - US$597,614), which includes earnings from OP Holdings and Fly-Away Airports (see below) as well as PAVe expenses of US$31,452 (2015 - US$nil).

OP Holdings (Investment in Joint Venture)

OP Holdings is an investment vehicle that will seek to acquire and aggregate up to US$500 million in income producing parking assets. Parkit acquired its 22% membership in OP Holdings (through its PAVe joint venture) for US$6.2 million initially and during the year, pursuant to the joint venture agreement, contributed a further US$1.4 million of the first earn-out consideration. The majority member of the joint venture is Och-Ziff Real Estate, a real estate private equity firm based in the United States. In addition to its equity membership, Parkit serves as the entity's asset manager, alongside PRE.

In April 2015, OP Holdings acquired six assets at an 8% cap rate, for a total of US$82.6 million, assuming full payment of associated conditional earn-outs. The initial property portfolio includes two assets in which Parkit held equity, Canopy and Expresso, as well as four additional facilities described below.

- 'Chapel Square' located in New Haven, Connecticut (Commercial/business district)
- 'Terra Park' located in Jacksonville, Florida (Commercial/business district)
- 'Riccio Lot' located in New Haven, Connecticut (University and medical facility)
- 'Z Parking' located in East Granby, Connecticut (Bradley International Airport)

Going forward, Parkit will provide 5% of the equity component of future acquisitions made by OP Holdings. Pursuant to the joint venture agreement, the Company contributed approximately US$365,000 of the first earn-out consideration received to OP Holdings toward its future equity commitments.

During the year, the Company earned portfolio asset management fees of US$194,471 (2015 - US$111,169) from OP Holdings. The current year fees reflect the first full year of fees earned following completion of the Transaction in April 2015. Pursuant to the joint venture agreement and with effect on the first year anniversary of the transaction, the portfolio management fees were reduced. In Q4 2016, the Company earned asset management fees of US$25,846 (2015 - US$53,250), which reflects the lower fee level after the first anniversary date, as well as an adjustment in respect of an overpayment of fees paid to the Company in Q3 2016.

Equity earnings for the year from the OP Holdings joint venture was US$916,607 (2015 - US$597,614), which includes a contribution from OP Holdings of US$932,260 (2015 - US$602,981). The increase in the equity earnings against the prior year reflects the first full year of the Company's investment in the joint venture. A comparison of the profit contribution for the current year period corresponding to the period in the prior year following completion of the Transaction indicates that the profit contribution is down 3.7% in the current year. This is in part explained by the impact of disruption at Canopy from major road works expected to continue through to mid-2017 and by the incentivization management fee (US$120,000) paid in May 2015.

Over the term of investment, the Company has targeted yield optimization of 2-3%. This portfolio achieved a yield optimization of approximately 1.9% over the first 18 months, and the Company is confident that targets will be surpassed in the near term, with room for continued growth over the next few years. Revenues for Q4 2016 decreased by 4.0% and NOI decreased by 9.9%, respectively, compared to the prior quarter, which is consistent with the seasonality effect on off-airport parking. However, revenues and NOI decreased by 2.8% and 6.0%, respectively, compared against strong results achieved in the prior Q4 2015, which reflects the impact of the road works at Canopy, and the management incentivization fee on NOI. Comparing the trailing 12 month results for these assets as at October 31, 2016 and as at July 31, 2016, revenues decreased 0.1% and NOI development was down by 1.6%. While revenue growth and NOI development have been impacted by the short-term disruption at Canopy, the overall portfolio performance continues to reflect the successful implementation of strategies focused on gaining efficiencies and cost savings across the portfolio.

During the year, the Company received cash distributions from OP Holdings of US$859,705, including a distribution of US$237,460. Total cash distributions of US$1,227,777 have been received during the term of this investment through Q4 2016. The annual cash yield for the investment is approximately 12%, which reflects the impact of the contribution of a portion of the first earn-out in the year, as compared with the yield in the first year of the investment which was in excess of 15%. The Company believes the cash yield will continue to be positively impacted by further expected optimization.

A central component of the Parkit strategy is to realize capital gains on the assets upon an exit. However, the accounting rules do not allow the Company to carry its joint venture investments on its balance sheet at a fair value that reflects any appreciation in value beyond that initially recognized on the time of the acquisition and as adjusted for the earn-out consideration. Therefore, any unrealized gain that may arise after the date of acquisition and taking into account any payment of the earn-out is not reflected on the statement of operations, or in the carrying value on the balance sheet. Further, the carrying value of the joint venture investments is reduced by the amount of any cash distributions to the Company and increased by the amount related book profits attributable to the Company. To the extent distributions exceed book profits the carrying value is reduced. These factors combine to provide a book value that the Company believes is significantly lower than the current fair value of its joint ventures, and supports a notable premium per-share intrinsic value for Parkit shareholders.

Nashville Fly-Away Parking

On October 30, 2015, the Company invested US$886,850 (US$677,865) in PAVe LLC for the acquisition of Fly-Away Parking ("Fly-Away Parking") by PAVe Nashville, LLC ("Nashville"). Fly-Away Parking is a 1,140 stall, 8.5 acre facility servicing the Nashville International Airport. The US$ 8.0 million acquisition was completed with US$5.4 million of financing at LIBOR plus 230 basis points, amortizing for periods up to 25 years. In addition, US$1.2 million of vendor financing was utilized at 4% amortizing over 5 years.

In the first year following its acquisition Fly-Away Parking generated a modest profit for the Company of US$16,000. In Q4 2016, Fly-Away Parking contributed a modest profit of US$5,000 reflecting the seasonal effect of off-airport parking but maintaining a positive trend in profitability development. Significant progress has been made implementing improvements, and the Company anticipates stronger yield growth from optimization strategies and operational efficiencies through the life of this investment.

CASH FLOW SUMMARY

A summary of the Company's consolidated cash flows for the years ended October 31, 2016 and 2015 is as follows:

	October 31, 2016	October 31, 2015
Cash used in operating activities	$ (1,712,930)	$ (492,979)
Cash provided by investing activities	2,009,451	13,625,725
Cash used in financing activities	-	(11,478,888)
Increase in cash and cash equivalents	**296,521**	**1,653,858**
Foreign exchange effect on cash	18,578	(980,312)
Cash balance, beginning of the period	1,237,061	563,515
Cash balance, end of period	**1,552,160**	**1,237,061**

Operating Activities:

Net cash used in operating activities for the year ended October 31, 2016 was $1,712,930, compared to $492,979 for the year ended October 31, 2015. The level of cash used in operations in 2016 reflects the $374,104 proxy solicitation costs and working capital cash used during period in connection with the settlement in Q1 2016 of a vendor claim, payment of accrued management bonuses and increased receivables.

Investing Activities:

Net cash provided by investing activities for the year ended October 31, 2016 was $2,009,451, compared to $13,625,725 for the year ended October 31, 2015. The cash provided by investing activities in the 2016 period includes distributions from associate and the Doolittle and PAVe joint ventures, and contributions to the PAVe joint venture. The 2015 investing activities include the cash received from the sale of Canopy ($14,997,199) and a distribution from Doolittle which substantially funded an investment contribution to PAVe.

Financing Activities:

The Company did not undertake any financing activities during the year ended October 31, 2016. In the prior year period, the Company made distributions to non-controlling interests and repaid short-term loans amounting to $12,009,758, and received cash of $530,870 from the exercise of warrants.

SECTION 4

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2016, the Company had a working capital of $1,618,058 (October 31, 2015 - $693,777), and current liabilities of $272,890 (October 31, 2015 – $612,864). The working capital includes cash of $1,552,160 (October 31, 2015 – $1,237,061). The Company expects to settle existing liabilities through existing cash resources, and revenue generated from operations. The Company does not anticipate any additional debt or equity financings to fund current operations.

The Company believes that based on its current cash flow projections, that it will be able to meet its liquidity requirements for the foreseeable future.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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 capital. The Company estimates this commitment to be US $7.5 million over 5 years. During the year ended October 31, 2016, the Company contributed US$1,390,299 to the joint venture of which US$365,000 counts toward its commitment to fund future acquisitions.

Additionally, if the maximum performance target is achieved in relation to the April 22, 2017 second tranche of the earnings-based contingent consideration (approximately US$1,735,000) receivable from OP Holdings, in accordance with the Company's joint venture agreement, the Company will be required to contribute approximately US$1,485,000 of the consideration to PAVe LLC to satisfy its required contributions to OP Holdings.

There are no other sources of financing that the Company has arranged but not yet utilized.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Unless otherwise mentioned in the Management’s Discussion & Analysis there were no proposed transactions.

OUTSTANDING SHARE DATA

As at the date of this report, the Company has 32,245,723 issued and outstanding common shares, 1,995,000 common share stock options outstanding, and no common share purchase warrants outstanding.

PARKIT ENTERPRISE INC

SECTION 5

SELECTED QUARTERLY INFORMATION

The following table sets forth the selected financial information of the Company on a consolidated basis for each of the eight most recent financial quarters:

Financial ($000's)	October 31, 2016	July 31, 2016	April 30, 2016	January 31, 2016
Fee income	$ 46	$ 69	$ 71	$ 73
Share of profit from associate	1,006	-	-	-
Share of profit from joint venture	348	263	266	245
Expenses(1)	(573)	(492)	(321)	(363)
Share-based payments	-	-	(88)	-
Foreign exchange (loss) gain	86	107	(323)	193
Net income (loss) for the period	913	(51)	(395)	148
Per share – basic	$ 0.03	$ (0.01)	$ (0.01)	$ 0.01

Financial ($000's)	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2014
Property income(2)	$ -	$ -	$ 476	$ 355
Gain from disposal of assets(2)	-	-	26,130	-
Non-controlling interest(2)	-	-	(12,538)	(134)
Allocation of income for Parkit	-	-	14,068	221
Fee income	$ 69	69		
Share of profit from joint venture	392	351	564	273
Expenses(1)	(603)	(307)	(735)	(347)
Share-based payments	-	-	-	(45)
Foreign exchange gain (loss)	281	771	(166)	154
Net income (loss) for the period	139	884	13,729	256
Per share – basic and diluted	$ 0.01	$ 0.03	$ 0.43	$ 0.02

Note (1): Expenses include general and administrative expenses and tax expense/recovery
(2): Consolidated

During the quarter ended April 30, 2015, the Company completed the sale of Canopy Airport Parking and Expresso Airport Parking to the newly formed investment vehicle, Op Holdings, at which time the Company recorded a gain on sale of $26.1 million and derecognized related assets, liabilities and non-controlling interests of Green Park Denver.

SECTION 6

RELATED PARTY TRANSACTIONS

Remuneration of directors and senior management

Senior management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Remuneration below includes all amounts paid to Rick Baxter (Former CEO), Simon Buckett (Former CFO), Patrick Bonney (Former CIO), Joel Dumaresq (Chair), Pesach Goldman (Director), Robert Emri (Former Director), David Mullen (Director), Bryan Wallner (Director and CEO), Nigel Kirkwood (CFO) and Shoni Bernard (Corporate Secretary). Senior management personnel include the Company's executive officers and members of the Board of Directors.

	Year ended October 31, 2016	Year ended October 31, 2015
Total for all senior management		
Short-term benefits	$ 515,373	$ 814,000
Share based payments	37,641	-
	553,014	814,000
Total for all directors		
Short-term benefits	158,425	166,404
Share based payments	50,189	45,164
	208,614	211,568
Total	$ 761,628	$ 1,025,568

During the year ended October 31, 2015, the Company recorded an expense for management bonuses of $310,000 of which $160,000 was included in accounts payable and accrued liabilities. No bonuses were paid or payable for the year ended October 31, 2016.

SECTION 7

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

A summary of significant accounting policies is described in Notes 2 and 3 of the Company's Financial Statements for the year ended October 31, 2016.

New accounting policies

There were no new accounting policies adopted during the year.

Critical judgments and estimates in applying accounting policies

The preparation of the Financial Statement in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period may result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

The preparation of the consolidated financial statements requires that the Company's management make assumptions and estimates of effects of various future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis using historical experience and other factors that are considered relevant given the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the Company's consolidated statements of financial position reported in future periods.

a) Critical judgments

Functional currency

At October 31, 2016, the Company reviewed the functional currency classification of its subsidiary Greenswitch America, Inc. It was management's judgment that the functional currency of Greenswitch America should be the Canadian dollar as the subsidiary primarily functions as an extension of the parent by holding investments.

Classification of investees as subsidiaries, associates or joint ventures

The Company, through its subsidiary Greenswitch America, Inc. ("Greenswitch America") holds investments in parking real estate in the United States of America, and is a party to a number of arrangements whereby the Company is required to assess the degree of control it exerts over the investee in order to classify the investee as a subsidiary, associate or joint venture.

In assessing control, the Company considers the structure and form of the arrangements, the terms agreed by the parties in the contractual arrangements and the Company's rights and obligations arising from the arrangements.

When circumstances or contractual terms change, the Company reassesses the control group and the relevant activities of the arrangement (see Financial Statements note 4). There were no changes in classification for the year ended October 31, 2016.

Accounting for investments in associates and joint ventures

Certain investees have different class of membership units, and the entitlements to distributions from these investments are different among each class. Accordingly, the Company has determined that it will equity account for its economic share of interest in the joint venture or associate rather than its equity participation.

Impairment testing

Judgment is required in assessing whether certain factors would be considered an indicator of impairment. The Company considers both internal and external information to determine whether there is an indicator of impairment present and, accordingly, whether impairment testing is required.

The Company also exercised judgment in identifying the cash generating units to apply impairment testing on goodwill and other long-lived assets held in its joint ventures.

b) Critical estimates and assumptions

Accounting for investments in associates and joint ventures

In applying equity accounting, the Company reviews the accounting policies of the investee and if necessary, make any adjustments in line with those of the Company.

An earnings-based contingency recognized in the Company's associate, Green Park Denver, meets the definition of a financial asset as it represents a contractual right to receive cash or other financial assets (see Financial Statements note 7).

The associate accounts for the contingent consideration receivable as financial asset available for sale subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on the discounted value of anticipated future receipts. The key assumptions take into consideration the probability of meeting each performance target, level of future profits of the disposed business and the discount factor. The key assumptions taken into consideration to determine the fair value as at October 31, 2016 include 90% (2015 – 90%) probability of meeting performance target, and a 10% (2015- 10%) discount factor.

Impairment testing

In assessing impairment on parking real estate, the Company considers a number of factors including cash flow forecasts, capitalization rates (the rate of return on a real estate investment property based on the income that the property is expected to generate), and property valuations. The estimates and assumptions are subject to risk and uncertainty, and actual results could differ. Changes in inputs may alter the results of impairment testing impacting the amount of impairment charge recorded in the statements of operations and the resulting carrying value of assets.

Provisions

Certain former officers of the Company were terminated from their positions in August 2016 (See Financial Statements note 17). The Company recognizes a liability when there is a present obligation arising as a result of a past event, payment is probable and the amount can be estimated reliably. In the Company's assessment of whether to record a provision, the Company considered the legal basis for its decision to terminate the former officers and the existence or status of discussions with each individual officer in assessing the probability and materiality of any future payments. Any changes impacting management's assessment of the timing and probability of the Company's obligations for contingent liabilities may result in the Company recording a liability on its statement of financial position.

SECTION 8

RISKS AND UNCERTAINTIES

Liquidity Concerns and Future Financing Requirements

We may require additional financing in order to fund our businesses or business expansion. 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.

General Economic Factors

The willingness of airline passengers to spend money on parking instead of using sources of public transit may be dependent upon general economic conditions. Additionally, if general economic forces lag there is a possibility that air transport demand will decrease thereby directly affecting demand for airport related parking facilities.

Competition

The parking facilities directly competes 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).

Future Acquisitions

As part of our business strategy, we may seek to grow by acquiring companies, assets or establishing business relations that we believe will complement our current or future business. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favourable terms, or that any acquisitions completed will ultimately benefit our business.

Industry Regulation

There can be no assurances that we may not be negatively affected by changes in United States, Canadian federal, provincial 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 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.

Conflicts of Interest

Certain of our 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 loss of any of these key persons 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 is earned in U.S. dollars, and our 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.

Change of management

The Company was engaged in a contested election of its board of directors and the Company subsequently terminated the employment of the former President & Chief Executive Officer, former Chief Investment Officer and former Chief Financial Officer. The uncertainty relating to the control of the Board and the Company during that period and the transition of new management may adversely impact the future performance of the business.

SECTION 9

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.