PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION FOR THE YEAR ENDED OCTOBER 31, 2019

Table of Contents

This Management's Discussion and Analysis ("MD&A") is prepared as of February 28, 2020 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, 2019 ("2019"). This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended October 31, 2019 (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"), "Income from operations", "Funds From Operations ("FFO"), "Yield", "Occupancy", "Gross Book Value", "Appraised Value", " Capitalization (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 publicly 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

EXECUTIVE SUMMARY

A summary of the financial and operational highlights follows:

	Three months ended October 31, 2019	Three months ended October 31, 2018	Year ended October 31, 2019	Year ended October 31, 2018
Summary of Company's Operations				
Fee income	$ **35,735**	$ **43,281**	$ **145,986**	$ **196,037**
Share of profit from joint venture	$ **283,103**	$ **5,549,282**	$ **646,365**	$ **6,333,068**
General and administrative expense	$ **(229,658)**	$ **(276,871)**	$ **(1,060,619)**	$ **(1,042,606)**
Income tax expense	$ **(257,720)**	$ **(2,189,070)**	$ **(653,460)**	$ **(2,190,029)**
Net income (loss)	$ **(152,778)**	$ **3,127,338**	$ **(879,382)**	$ **3,448,040**
Earnings per share – basic and diluted	$ **(0.00)**	$ **0.10**	$ **(0.03)**	$ **0.11**

Summary of Company's Financial Position	As at October 31, 2019	As at July 31, 2019	As At October 31, 2018
Cash	$ **768,434**	$ **1,220,399**	$ **1,830,051**
Working Capital	$ **897,319**	$ **1,295,528**	$ **(15,965)**
Net assets	$ **20,620,749**	$ **20,769,742**	$ **20,858,183**

- Book value decreased $148,993 in the quarter from $20,769,742 at July 31, 2019, to $20,620,749 at October 31, 2019; and currently stands at $0.59 per share.
- Cash represents approximately $0.02 per share.

- The working capital at October 31, 2019 included a tax liability of $ 16,561 (October 31, 2018 - $1,981,514) for estimated U.S. taxes on the taxable profits from the joint venture. The joint ventures have a December 31 tax year-end, and at October 31, 2018, there was uncertainty to the amount of and expected timing of the tax liability. During the year ended October 31, 2019 the Company paid total taxes of $2,603,000 for the settlement in full of the December 31, 2018 tax liability and for installments on the estimated current year tax payable.

Joint Venture Update

- The Company's participation in its joint venture generated a profit of $283,103 for Q4 2019 (Q4 2018 - $5,549,282) bring the fiscal year-to-date profit to $646,365 (2018 - $6,333,068).

  OP Holdings JV LLC ("OP Holdings)

  - Q4 2019 includes four properties held in the OP Holdings joint venture portfolio compared to five properties held in the same period in the prior year.
    - In October 2018, one of the single purpose entities held by OP Holdings sold Expresso Parking, its parking facility located at Oakland Airport in California. Expresso was bought by the joint venture in 2015 for approximately US$19.2 million (consisting of an equity investment of US $7 million) and was sold for approximately US $36.1 million.
    - In Q3 2018, one of the single purpose entities held by the "Joint Venture" sold Terra Park, its parking facility located in Jacksonville, Florida. Terra Park was bought by the Joint Venture in 2015 for US$6.4 million (consisting of an equity investment of US $2.4 million) and was sold for US $6.83 million plus an additional sum of US $750,000 paid in equal monthly installments over one year. The OPH portfolio now holds four properties compared to the original six properties held at the joint venture formation in 2015.
    - The joint venture agreement details a multi-staged priority payment waterfall for the distribution to members on any Initial Property Capital Proceeds. With the sale of Expresso, the 15% IRR target to the Majority Member was reached. Due to the fulfillment of this 15% IRR hurdle, cash flows from future sales and debt re-financings within the joint venture will flow to PAVe, an entity in which Parkit has an 82.43% interest, until PAVe has received a 15% IRR. PAVe is a 29.45% equity member of OP Holdings JV LLC. This was a major development for Parkit because for the first time since entering into the joint venture in 2015, Parkit will be the beneficiary of asset sales and refinances that occur within the joint venture.
  - Revenue for just the remaining four properties increased 5% for the year ended October 31, 2019 compared to the prior year. NOI increased 15% from prior year.
  - The Company received cash distributions from PAVe LLC of $1,779,398 for the year ended October 31, 2019 as compared with $492,822 in prior year. Subsequent to October 31, 2019, the Company received $418,275 in distributions from the joint venture.

  Nashville

  - The Company's 50% interest in the Fly-A-Way Parking facility in Nashville recorded a profit of $43,741 for the quarter (Q4 2018 - $9,392) offsetting prior quarter losses to bring the fiscal year to date profit to $ 68,281 (2018 - $46,329 loss). Revenue grew 10% over 2018 while operating expenses remained flat. Cost control and marketing initiatives were implemented with the last year to restore profit growth. With the continued growth in the Nashville economy, the Company remains confident in the long-term potential of this asset.

Corporate and personnel updates

- On September 5, 2019, the Company granted 100,000 incentive stock option to two officers pursuant to the terms of their employment agreements. The options granted vest with the right to exercise one-quarter of the options every three months subsequent to the grant date, and permit the grantee to acquire one common share in the Company at a price of $0.27 per share. The options expire five years after the date of grant, on September 5, 2024.

- On September 16, 2019, the Company announced that effective November 30, 2019, David Delaney will step down as Executive Chairman of the Company. Mr. Delaney will continue to act as the Chairman of the Board of Directors. Avi Geller will continue to act as Chief Executive Officer of the Company.

- As part of cost-savings measures, the Company elected to terminate its OTXQC listing and instead have its securities quoted on the OTC-Pink Market effective January 2, 2020.

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 an effective 24.39% 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"). Four assets remain in the portfolio following the sale Expresso and another property in 2018. The majority member of OP Holdings is Och-Ziff Real Estate ("Och-Ziff"), a division of an institutional asset manager.

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 82.83% economic interest in PAVe LLC, which is a 29.45% equity member of OP Holding. PAVe Admin is an entity created for legal purposes and holds no assets or liabilities.

In addition, the Company acquired on October 30, 2015 a 50% indirect investment in Fly-Away Airport Parking ("Fly-Away Parking"), servicing the Nashville International Airport.

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 OTC 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 current free cash flow, opportunities for yield enhancement and in certain circumstances opportunity for repositioning to strategic buyers. 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. 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.

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

SECTION 3

SUMMARY OF OPERATIONS

A summary of the results of operations for the three-month periods and years ended October 31, 2019 and 2018 follows:

	Three months ended October 31, 2019	Three months ended October 31, 2018	Year ended October 31, 2019	Year ended October 31, 2018
Parking services revenue	$ 30,010	$ 56,189	$ 70,010	$ 56,189
Parking services operating expenses	(9,967)	(42,088)	(47,690)	(42,088)
Fee income	35,735	43,281	145,986	196,037
Share of profit from associate	(7,716)	(45,146)	26,420	71,604
Share of profit from joint ventures	283,103	5,549,282	646,365	6,333,068
General and administrative expenses	(229,658)	(276,871)	(1,060,619)	(1,042,606)
Subtotal	**101,507**	**5,284,647**	**(219,528)**	**5,572,204**
Foreign exchange gain (loss)	2,730	31,098	(11,322)	61,183
Finance income	705	663	4,928	4,682
Income before tax	**104,942**	**5,316,408**	**(225,922)**	**5,638,069**
Income tax expense	(257,720)	(2,189,070)	(653,460)	(2,190,029)
Net income for the period	**$ (152,778)**	**$ 3,127,338**	**$ (879,382)**	**$ 3,448,040**

Discussion of results for the three-month period ended October 31, 2019

For the three-month period ended October 31, 2019 ("Q4 2019"), the Company reported a net loss of $152,778 (Q4 2018 – net income of $3,127,338). The more significant items are discussed below.

Parking services revenue and expenses

On July 6, 2018, the Company announced that it had purchased the operating assets of Smart Parking Solutions Canada Inc. ("Smartpark"). The purchase included parking management agreements in the Greater Toronto Area, as well as permit management agreements with municipal and institutional clients in the United States. In late 2018 the Company started terminating parking agreements, with the last remaining contract terminated in May 2019.

Expenses include equipment rental, contractor fees and salaries, and other operating costs.

Q4 2019 includes a true-up with Smartpark of the parking services operations.

Fee income

The Company receives service fees as the asset manager of OP Holdings. In Q4 2019, the Company earned fees of $35,735 (Q4 2018 – $43,281). The fee is payable in USD. The reduction in fee income reflects the reduction in the value of the assets under management after the sale of the Terra Park property on June 29, 2018 and the sale of the Expresso property on October 5, 2018.

Share of profit from associate

The Company's share of profit 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. Both Q4 2019 and Q4 2018 reflect updates to assumptions of the estimated weighted probability of the timing of the payment of the final tranche. The adjustment to the carrying value of the consideration receivable was recognized as a reduction in the associate's profit and loss for the quarter.

Share of profit from joint ventures

In Q4 2019, the Company recorded $283,103 (Q4 2018 - $5,549,282) in book profits from joint ventures, which reflects the Company's share of profits from PAVe LLC (OP Holdings and Fly-Away Parking).

The Company's participation in OP Holdings generated a profit $239,362 in Q4 2019 (Q4 2018 - $5,577,675).

- Q4 2019 includes four properties versus five properties in Q4 2018. During Q4 2018, OP Holdings recorded a gain from the sale of Expresso, which accounts for the majority of the profit recorded during the period.
- Revenue for the four properties held in both periods increased 8% in Q4 2019 compared to Q4 2018.
- Roadwork construction surrounding Canopy Denver was completed in December 2017; however, there is increased competition from two new parking facilities that have opened in the area. Strategies were subsequently put in place in 2018 to incentivize parkers displaced during construction to return to Canopy and recruit first-time users to the facility. During 2019, Canopy reduced discounts, and increased drive-up parking rates. The Denver Airport also saw an increase in airport passenger enplanements. Revenue for Canopy increased 10% in Q4 2019 compared to Q4 2018, and NOI increased 26%.

The Company's participation in Fly-Away Parking generated a profit of $43,741 in Q4 2019 (Q4 2018 –$9,392). Management continues to monitor the performance of Fly-Away Parking and to evaluate the cost control and marketing initiatives implemented by Propark in 2018 to help restore profit growth at Fly-Away Parking.

Q4 2019 also includes $Nil (Q4 2018- $37,785) allocation of administrative expenses of the joint venture.

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. See the commentary in "Investments" later in this section 3 for commentary of the results of the joint venture in USD.

General and administrative expenses

For the three months ended October 31,		2019		2018
Management salaries and fees	$	92,708	$	109,028
Director fees		24,300		29,250
Share-based payments		3,785		5,376
Professional fees		35,968		42,139
Other administrative expenses		72,897		61,911
Amortization and depreciation		-		29,167
Total	**$**	**229,658**	**$**	**276,871**

Management, salaries and fees decreased consistent with the decrease in personnel in Q4 2019 compared to Q4 2018.

Other administrative expenses in Q4 2019 includes a true-up reimbursement of costs associated with the Toronto office operations.

Amortization expense relates to the amortization of intangible assets purchased in July 2018 from Smart Parking. The remaining amortization was recognized in full as of April 30, 2019 as the Company had exited the last remaining contract in May 2019.

Foreign exchange

The foreign exchange gains/losses reflect the changes in exchange rates during the respective periods on the translation of the Company’s US$ cash balances and US$ receivables.

Income tax expense

In Q4 2018 the Company recorded income tax expense of $2,189,070 bringing the 2018 year-to-date tax expense to $2,190,029. In Q4 2018, the Company paid US taxes of $207,556 relating to the 2017 tax year. The company also recognized a tax liability of $1,981,514 as of October 31, 2018 for estimated U.S. taxes on the expected taxable profits from the joint venture. There was uncertainty to the amount of the 2018 taxable partnership income from the joint ventures that would be allocated to our U.S. subsidiary, and whether any portion of the resulting tax liability could be deferred. Revisions to the tax estimates are accounted for prospectively, and are reflected in current year tax expense.

During the year ended October 31, 2019 the Company paid total taxes of $2,603,000 for the settlement in full of the December 31, 2018 tax liability and for installments on the estimated current year to date tax payable.

In Q4 2019 the Company recorded income tax expense of $257,720 (which includes a payment for US state tax for the 2018 tax year) bringing the 2019 year-to-date tax expense to $653,460.

Discussion of results for the year ended October 31, 2019

For the year period ended October 31, 2019 ("2019"), the Company reported a net loss of $879,382 (2018 –net income of $3,448,040).

Explanations of the main drivers of the year on year variances are consistent with those for the three-month analysis.

Additional information for the year on year analysis:

Share of profit from joint ventures

The Company recorded $646,365 (2018 - $6,333,068) in book profits from joint ventures.

- The Company's participation in OP Holdings generated a profit of $ 594,634 in 2019 (2018 - $6,425,035), a decrease of income of $5,830,401. OP Holdings recorded a gain from the sale of one of its smaller properties, Terra Park, in Q3 2018, and the sale of Expresso in Q4 2018.
- The Company's participation in Nashville generated a profit of $68,281 in 2019 (2018 - $46,329 loss), an increase in profit $114,610.
- The Company's share of the joint venture's corporate expenses was $16,550 in 2019 (2018 - $45,638), a decrease of loss of $ 29,088.

General and administrative expenses

For the year ended October 31,		**2019**		**2018**
Management salaries and fees	$	380,852	$	500,008
Director fees		97,200		106,650
Share-based payments		11,733		25,376
Professional fees		252,307		210,937
Other administrative expenses		272,694		170,468
Amortization		45,833		29,167
Total	$	1,060,619	$	1,042,606

Management, salaries and fees decreased $119,156 due to the payment of severance in 2018 partially offset by increases from changes in personnel in 2019 versus 2018.

Director fees decreased $9,450 reflecting changes in board composition in 2019 and 2018.

Share-based payment in 2019 and 2018 reflects the issue of common shares and stock options as a signing bonus for the engagement of two vice-presidents in July 2018. There are not further commitments to issue share based compensation under these agreements.

Professional fees increased $41,370 reflecting an increase in the number of consultants and an increase in audit and tax fees.

Other administrative expenses reflect an increase consistent with establishing a Toronto office in July 2018, and incurring other general expenses in the support of identifying and investigating potential new acquisitions. The Company is also attending more trade-shows and conferences in 2019 compared to 2018.

Amortization expense in 2019 and 2018 relates to the amortization of intangible assets of $75,000 purchased in July 2018 from Smart Parking. The intangible is fully amortized at October 31, 2019.

FINANCIAL POSITION

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

		October 31, 2019		October 31, 2018		October 31, 2017
Current Assets	$	972,290	$	2,041,379	$	2,477,221
Long Term Receivable		1,263,360		1,261,632		1,261,965
Investment in Associate		1,244,078		1,217,658		1,146,054
Investment in Joint Ventures		17,215,992		18,349,025		12,508,779
Intangible assets		-		45,833		-
Total Assets	**$**	**20,695,720**	**$**	**22,915,527**	**$**	**17,394,019**
Current Liabilities	$	74,971	$	2,057,344	$	9,252
Total Equity	$	20,620,749	$	20,858,183	$	17,384,767
Total Liabilities and Equity	**$**	**20,695,720**	**$**	**22,915,527**	**$**	**17,394,019**

As at October 31, 2019, Current Assets are composed of $0.8 million of cash and cash equivalents and $0.2 million of accounts receivables, prepaid expenses and deposits. The cash and cash equivalent 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 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, 2019, the aggregate of the current and non-current portions of the Long Term Receivable balance was $1.30 million (US$1.0 million) of which $0.04 million (US$0.03 million) is to be repaid from the assignment of certain distributions due to PRE and the balance of $1.26 million (US$0.96 million) 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 third and final tranche of the contingent consideration receivable is payable following the disposition of certain assets in OP Holdings.

Investment in Joint Ventures decreased to $17.22 million as at October 31, 2019 from $18.35 million as at October 31, 2018. This increase is as a result a book profit recorded of $0.65 million, which are partly offset by cash distributions of $1.78 million during the year. The joint venture recorded a gain from the sale of one of its smaller properties, Terra Park, in Q3 2018, and the sale of Expresso in Q4 2018. Properties in the portfolio are not marked-to-market.

The working capital at October 31, 2019 included a tax liability of $ 16,561 (October 31, 2018 - $1,981,514) for estimated U.S. taxes on the taxable profits from the joint venture. The joint ventures have a December 31 tax year-end, and at October 31, 2018, there was uncertainty to the amount of and expected timing of the tax liability. During the year ended October 31, 2019 the Company paid total taxes of $2,603,000 for the settlement in full of the December 31, 2018 tax liability and for installments on the estimated current year tax payable.

INVESTMENTS

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

The Company has an investment in a joint venture, PAVe LLC, which holds the Company's investments in OP Holdings and Fly-Away Parking.

Parking Acquisition Ventures LLC ("PAVe LLC" or "PAVe")

PAVe LLC has different classes of membership units, and the entitlements to distributions from these investments are different among each class. The Company is currently entitled to an 82.83% 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.

Following the Company's reinvestment of a portion of the first tranche of the contingent consideration in 2016, PAVe LLC's equity interest in OP Holdings increased from 25% to 26.12%, and the Company's equity interest in PAVe LLC increased from 86.67% to 88.84%. Following the Company's and PRE's reinvestment of a portion of the second tranche of the contingent consideration in 2017, PAVe LLC's equity interest in OP Holdings increased to 29.45% and the Company's equity interest in PAVe LLC decreased to 82.83%. (See "OP Holdings" below).

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 29.45% interest in OP Holdings as an investment in associate.

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$487,200 (2018 - US$4,862,116), which includes earnings from OP Holdings of US$447,995 (2018 - US$4,935,282), earnings from Fly-Away Parking of US$51,629 (2018- $37,957 loss) as well as PAVe expenses of US$12,424 (2018 - US$35,209).

OP Holdings (Investment in Joint Venture)

OP Holdings is an investment vehicle that was used to acquire a portfolio of income producing parking assets. Parkit acquired a 21.67% membership in OP Holdings (through its PAVe joint venture) for US$6.2 million in April 2015 and pursuant to the joint venture agreement, contributed a further US$1.4 million of the first earn-out consideration and, at the end of April 2017, a further US$1.5 million of the second earn-out consideration. PAVe LLC currently holds a 29.45% membership in OP Holdings, with Parkit holding a net 24.39% membership in OP Holding through its 82.83% holding in PAVe. The majority member of the joint venture is Och-Ziff Real Estate, a real estate private equity firm based in the United States.

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).

In June 2018, Terra Park was sold for US $6.83 million plus an additional sum of US $750,000 payable in equal monthly installments over one year. Terra Park was bought by the Joint Venture in 2015 for US$6.4 million (consisting of an equity investment of US $2.4 million).

In October 2018, Expresso Parking was sold for approximately US $36.1 million. Expresso was bought by the joint venture in 2015 for approximately US$19.2 million (consisting of an equity investment of US $7 million).

Going forward, Parkit will provide 5% of the equity component of future acquisitions made by OP Holdings. To date, pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, contributions of US$1,652,000 have been made by PAVe LLC in respect of any future capital commitments of the Company, of which the Company contributed US$725,000, representing the excess contributions made by the Company from the first and second earn-out contingent consideration earned.

In October 2017, OP Holdings successfully finalized the refinancing of the debt portfolio of the six parking facilities that was to be used to retire all existing senior debt with excess funds payable to members of OP Holdings. As part of the refinancing, updated appraisals of the six properties were obtained in July 2017. The increase in the appraised value of the properties allowed OP Holdings to increase the amount of the debt facility. The loan-to-value on the new financing agreement was approximately equal to the loan-to-value of the prior financing entered into in April 2015. The net excess proceeds received in OP Holdings from the debt refinancing was deemed a capital event and US$8.62 million was distributed to the majority member pursuant to the terms of the joint venture agreement. The joint venture agreement details a multi-staged priority payment waterfall for the distribution to members on any Initial Property Capital Proceeds. The Company will be entitled to receive future distributions on any Initial Property Capital Proceeds as the various requirements of the distribution waterfall are achieved.

As a result of the retiring the old debt facilities, OP Holdings was also able to distribute the release of escrow funds. The release of these funds was separate from the capital funds distributed per the above paragraph, and the Company received a cash distribution of US$129,773 in October 2017 for its share from the release of escrow funds.

Also, as a result of this refinancing, OP Holdings recognized additional one-time expenses and the write-off of deferred financing costs associated with extinguishment of the old debt. The Company's share of these additional costs amounted to approximately US$196,000.

During the year, the Company earned portfolio asset management fees from OP Holdings of US$ 109,872 (2018 – US$151,716). Pursuant to the joint venture agreement, the asset management fees were reset to a lower rate following the first and second anniversaries of the closing of the OP Holdings transaction in April 2015. The decrease in fees earned in 2018 also reflected the reduction in the value of the assets under management after the sale of the Terra Park property on June 29, 2018 and the sale of the Expresso property on October 5, 2018. Any future disposals of the remaining properties in the portfolio will also decrease the management fees earned by the Company.

Equity earnings for the year from the OP Holdings joint venture was US$447,995 (2018 – US$4,935,282), and US$180,855 for the quarter (Q4 2018 - $4,280,970).

- 2019 includes four properties versus six properties prior to the sale of two properties in 2018. OP Holdings recorded a gain from the sale of one of its smaller properties, Terra Park, in Q3 2018, and from the sale of Expresso in Q4 2018. Expenses were flat and NOI increased 24% for Q4 2019 versus Q4 2018.
- Revenue for the four properties held in both Q4 2019 and Q4 2018 increased 8% in Q4 2019 compared to Q4 2018.
    - Roadwork construction surrounding Canopy Denver was completed in December 2017; however, there is increased competition from two new parking facilities that have opened in the area. Strategies were subsequently put in place in 2018 to incentivize parkers displaced during construction to return to Canopy and recruit first-time users to the facility. During 2019, Canopy reduced discounts, and increased drive-up

parking rates. The Denver Airport also saw an increase in airport passenger enplanement. Revenue for Canopy increased 10% in Q4 2019 compared to Q4 2018, and NOI increased 26%.

During the year, the Company received cash distributions from OP Holdings of US$1,333,848 (2018 - $420,389).

Total cash distributions of US$3.7 million have been received since inception in April 22, 2015 to October 31, 2019, resulting in an annual cash yield for the investment of approximately 9.1% [Distributions of US$3.7 million received from April 22, 2015 to October 31, 2019 / 1,653 days investment held * 365 days / the Company's total contributions to date total of US$9.05 million]. This cash yield does not include principal repayments on the properties.

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 at 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 consideration paid, 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 of 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 lower than the current fair value of its joint ventures, and supports a premium per-share intrinsic value for Parkit shareholders.

Nashville Fly-Away Parking

On October 30, 2015, the Company invested 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 2019 Fly-Away Parking generated a profit for the Company of US$51,629 (2018 – loss of US$37,957). Management continues to monitor the performance of Fly-Away Parking and to evaluate the cost control and marketing initiatives implemented by Propark in 2018 to help restore profit growth at Fly-Away Parking. The Company commissioned an updated third-party appraisal that was completed in February 2020, and the Company concluded that no impairment was required to be recognized.

CASH FLOW SUMMARY

A summary of the Company's consolidated cash flows for the years ended October 31, 2019 and 2018 is as follows:

		October 31, 2019		October 31, 2018
Cash used in operating activities	$	(3,503,945)	$	(999,774)
Cash provided by investing activities		1,794,252		597,632
Cash provided by financing activities		630,215		-
Decrease in cash and cash equivalents		(1,079,478)		(402,142)
Foreign exchange effect on cash		17,861		31,998
Cash balance, beginning of the period		1,830,051		2,200,195
Cash balance, end of year	**$**	**768,434**	**$**	**1,830,051**

Operating Activities:

During the year ended October 31, 2019 the Company paid total taxes of $2,603,000 for the settlement in full of the December 31, 2018 tax liability and for installments on the estimated current year tax payable. For further details, see comments for "income tax expense" in the "Discussion of results for the three-month period ended October 31, 2019" in Section 3.

Investing Activities:

The cash provided by investing activities in 2019 includes $1,779,398 (2018 - $492,822) in distributions from its PAVe LLC joint venture; and $14,854 (2018 - $179,810) from the assignment by PRE to the Company of its management fee received of during the period to repay a portion of the PRE loan receivable. 2018 also includes $75,000 for the purchase of intangible assets from Smart Parking Solutions Inc on July 1, 2018.

Financing Activities:

Net cash provided by financing activities for 2019 was $630,215 comprised of $718,271 in proceeds received from a rights offering completed in December 2018 less related share issuance costs of $88,056. The Company did not undertake any financing activities during 2018.

Rights Offering Completed in December 2018

In December 2018, Parkit closed its rights offering (the "Rights Offering") announced on November 7, 2018. A total of 2,476,795 common shares were issued raising $718,271 from the rights offering. The Company intends to use the proceeds of the Rights Offering for identification and evaluation of new projects.

Parkit offered each shareholder resident in Canada 0.5336 of one right (each whole right, a "Right") for each common share ("Share") held on November 14, 2018, entitling the holder to purchase one share for each right at a price of $0.29 per share.

KDI Corporation Ltd., B&M Miller Equity Holdings Inc. Leonite Capital LLC, and Brad Dunkley entered into standby purchase agreements with Parkit, pursuant to which they each agreed to purchase $700,000 in units. The standby guarantors are directors or companies controlled by directors of the Company, and are considered related parties to Parkit. In connection with such agreements, the standby-guarantors acquired 2,413,790 shares. As Leonite Capital LLC is resident in the United States it satisfied its commitment to purchase 862,068 shares through a non-brokered private placement, and as a result the shares issued to Leonite were subject to a hold period, which expired on April 19, 2019.

SECTION 4

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2019, the Company had a working capital of $897,319 (October 31, 2018 - working capital of deficit of $15,965). As at October 31, 2019, the Company had a cash balance of $768,434 to settle current liabilities of $74,971.

Subsequent to October 31, 2019, the Company received $40,000 in settlement of receivables, and $418,275 in distributions from the joint venture.

The Company manages its capital structure and makes adjustments to it, based on the funds available to support its operations. To maintain or adjust the capital structure, the Company may issue new shares, issue debt or sell assets to meet financial obligations. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The one-year office lease in effect at October 31, 2019 expires February 29, 2020. Subsequent to October 31, 2019, the Company entered into a new one lease effective March 1, 2020 for its Vancouver office. The Company's total future aggregate minimum office lease payments through to February 28, 2021 are as follows:

		October 31, 2019
Not later than one year	$	22,205
Later than one year and no later than five years		6,506
	$	**28,711**

On July 1, 2018, the Company entered into an office lease agreement with an officer of the Company for premises located in Toronto, Ontario. The premises were previously leased to Smart Parking Solutions Canada Inc. The two-year office lease can be terminated at any time by the Company with sixty days' notice. The minimum monthly rent is $1,200 plus operating costs and taxes.

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. Management estimates this commitment to be US$7.5 million based on investment targets set out at the inception of the joint venture in April 2015.

Pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, upon earning the second earn-out contingent consideration, member contributions to OP Holdings in respect of any future capital commitments approximate US$1,652,000, of which the Company's contribution is approximately US$725,000.

In connection with the acquisition of Fly-Away Parking, Greenswitch America together with PAVe and two other parties (collectively the "Borrowers") entered into a loan and security agreement pursuant to which the Borrowers received a bank loan in the principal amount of US$5,460,000 as partial consideration for the acquisition (the "Loan"). In connection with the Loan, the Borrowers have each granted a security interest in all of their present and future assets and property including the property and assets of Fly-Away Parking. The loan bears interest at LIBOR plus 235 basis points and matures on October 30, 2020.

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

CONTINGENCIES

None.

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

- 34,854,257 (October 31, 2019 - 34,854,257) issued and outstanding common shares;

- 250,000 (October 31, 2019 - 250,000) common share stock options outstanding;
- no common share purchase warrants outstanding.

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, 2019	July 31, 2019	April 30, 2019	January 31, 2019
Parking services - net	$ 20	$ (1)	$ (2)	$ 5
Fee income	36	36	38	36
Share of profit from associate	(8)	13	11	10
Share of profit from joint venture	283	257	69	37
Expenses[(1)]	(484)	(274)	(611)	(334)
Share-based payments	(4)	(1)	(2)	(4)
Foreign exchange gain (loss)	3	(47)	39	(7)
Net income (loss) for the period	(153)	(16)	(455)	(255)
Per share – basic	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)

Financial ($000's)	October 31, 2018	July 31, 2018	April 30, 2018	January 31, 2018
Parking services - net	$ 14	-	-	-
Fee income	43	$ 49	$ 51	$ 53
Share of profit from associate	(45)	40	38	38
Share of profit from joint venture	5,549	676	97	11
Expenses[(1)]	(2,461)	(365)	(186)	(195)
Share-based payments	(5)	(20)	-	-
Foreign exchange gain (loss)	31	46	154	(170)
Net income (loss) for the period	3,127	428	155	(262)
Per share – basic	$ 0.11	$ 0.01	$ 0.00	$ (0.01)

Note (1): Expenses include general and administrative expenses (excluding share-based payments) and tax expense/recovery

Variations in the reported share of profits from the joint venture (PAVe) are impacted by the seasonality effect on the parking business. OP Holdings disposed of Terra Park in 3Q 2018 and Expresso in 4Q 2018 for a net profit, and is the main driver of the increase in the share of profits from joint venture, and the related tax expense for those quarters.

At October 31, 2018, there was uncertainty to the amount of the 2018 taxable partnership income from the joint ventures that will be allocated to the Company's U.S. subsidiary, and whether any portion of the resulting tax liability can be deferred. Q2 and Q4 2019 reflects the true-up of previous tax estimates

Additionally, the US$ - C$ exchange rate movements during the quarters give rise to foreign exchange gains and losses, which can have a significant impact on the net income or loss reported for the period.

SECTION 6

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.

		Year ended October 31, 2019		Year ended October 31, 2018
Total for all senior management				
Short-term benefits	$	377,200	$	347,650
Share based payments		11,733		25,376
		388,933		373,026
Total for all directors				
Short-term benefits	$	97,200	$	106,650
Total	**$**	**486,133**	**$**	**479,676**

Transactions with related parties

Included in accounts payable and accrued liabilities as of October 31, 2019 is $ 4,296 (2018 - $11,006) is amounts due to related parties for fees and expense reimbursements.

Pursuant to the terms of employment agreements entered with two new officers, the Company:

- issued a total of 66,666 common shares on July 20, 2018 as a signing bonus having a deemed value of $20,000. The common shares issued are subject to a transfer restriction prohibiting transfer thereto at any time prior to July 1, 2021;
- granted a total of 100,000 incentive stock options on August 22, 2018, which vest in four equal quarterly instalments following the grant date an exercise price of $0.29 per share.
- granted a total of 100,000 incentive stock options on September 5, 2019, which vest in four equal quarterly instalments following the grant date an exercise price of $0.27 per share. Any shares acquired upon the exercise of the options are subject to a hold period expiring four months and one day following the date of grant.

On July 1, 2018, the Company entered into an office lease agreement with an officer of the Company for premises located in Toronto, Ontario. The premises were previously leased to Smart Parking Solutions Canada Inc. The two-year office lease can be terminated at any time by the Company with sixty days' notice. The minimum monthly rent is $1,200 plus operating costs and taxes.

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, 2019.

New accounting policies

IFRS 9 – Financial Instruments

The Company adopted IFRS 9 on November 1, 2018 in accordance with the transitional provisions of the standard, applying a full retrospective approach in restating our prior period financial information. The Company has elected not to adopt the hedging requirements of IFRS 9 at this time but may adopt them in a future period.

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39").

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: (i) those measured at fair value through profit and loss ("FVTPL"); (ii) those measured at fair value through other comprehensive income ("FVOCI"); and (iii) those measured at amortized cost. The previous IAS 39 categories of held to maturity, loans and receivables and available for sale are eliminated. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

There has been no change in the carrying value of the Company's financial instruments resulting from the changes to the measurement categories as noted above.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial assets are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial assets. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The Company recognizes in the statements of operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

IFRS 15 – Revenue Recognition

The Company has adopted all the requirements of IFRS 15 as of November 1, 2018. IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue, which had no impact on the Company's consolidated financial statements.

New accounting policies not yet adopted

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 Leases, replacing IAS 17 Leases. For lessees applying IFRS 16, all leases are considered finance leases and will be recorded on the statements of financial position. The only exemptions to this classification will be for leases that are twelve months or less in duration or for leases of low-value assets. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if the entity is also adopting IFRS 15. IFRS 16 is required to be adopted either retrospectively or using a modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect of IFRS 16 as an adjustment to opening retained earnings and applies the standard prospectively. IFRS 16 will be applied by the Company on November 1, 2019, using the modified retrospective transition approach.

On initial adoption, the Company is applying the following optional expedients permitted under the standard. Some expedients are available on a lease-by-lease basis, while others are applicable by class of underlying asset.

- Certain short-term leases and leases of low value assets that have been identified at November 1, 2019, will not be recognized on the statement of financial position. Payments for these leases will be disclosed in the notes to the financial statements.

IFRS 16 will be applied by the Company on November 1, 2019 and management does not expect to record any right-of-use assets or incremental lease obligations.

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.

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.

Critical judgments

Functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

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.

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.

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.

The associate accounts for the contingent consideration receivable as financial asset measured at fair value through profit and loss. The determination of the fair value is based on the discounted value of anticipated future receipts. The final tranche of the consideration receivable is payable upon disposition of certain assets in OP Holdings JV LLC ("OP Holdings"), the timing of which is unknown as of October 31, 2019. The Company uses a weighted average probability of the expected timing for the pay-out of the contingent consideration.

The other key assumptions take into consideration the probability of meeting the 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, 2019 include 90% (2018 – 90%) probability of meeting performance target, and a 10% (2018- 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.

Income Taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

SECTION 8

FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 cash equivalents and receivables. All of the Company's cash and cash equivalents are held with reputable financial institutions. The Company's policy is to deal only with creditworthy counterparties. The maximum exposure to credit risk is equal to the carrying value of the financial assets. None of the Company's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2019, the Company had a cash balance of $768,434 to settle current liabilities of $74,971. The Company expects to fund these liabilities through existing cash resources, revenue generated from operations, additional debt and equity financings, and from funds raised through the partial disposition of interests in its assets.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and other price risk.

a) Interest rate risk

As at October 31, 2019 and 2018, the Company deposits its cash and cash equivalents in fully liquid business bank accounts. As such the Company does not consider its interest rate risk exposure to be significant.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, accounts receivable, long-term receivable, and its accounts payable and accrued liabilities, denominated in US Dollars. A 10% fluctuation in the US dollar against the Canadian dollar would affect net income for the year by $213,000.

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.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with level 1 inputs having the highest priority. The levels used to value the Company's financial assets and liabilities are described below.

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly, i.e. as prices, or indirectly, i.e. derived from prices.
- Level 3 – Inputs for the asset or liability that are not based on an observable market, i.e. unobservable inputs.

The fair value of the Company's accounts receivable, long-term receivable, accounts payable and accrued liabilities, and tax liabilities approximate carrying value, which is the amount recorded on the consolidated statements of financial position.

Cash and cash equivalents are carried at fair value in accordance with Level 1 of the fair value hierarchy, being unadjusted quoted prices in active markets for identical assets or liabilities.

SECTION 9

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 favorable 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 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.

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.

SECTION 10

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.