

PLYMOUTH REALTY CAPITAL CORP.

Management's Discussion & Analysis

For the year ended December 31, 2019

The following management's discussion and analysis ("MD&A"), prepared as of June 11, 2020, is a review of operations, current financial position and outlook for Plymouth Realty Capital Corp. (the "Company"). Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2019 and the notes thereto. Amounts are reported in Canadian dollars, unless otherwise specified.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, except as required by law.

COMPANY DESCRIPTION

Plymouth Realty Capital Corp. was incorporated under the Business Corporations Act (Ontario) on July 15, 2013, was continued under the British Columbia Business Corporations Act on March 21, 2019 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX-Venture Exchange (the "Exchange"). The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view of completing a Qualifying Transaction. As at the date of this MD&A, the Company has completed its proposed initial public offering and obtained a listing of its common shares on the Exchange, but as it has failed to complete a Qualifying Transaction within the time limitations permissible, its common shares are now on the NEX board of the Exchange.

The Company proposes to identify and evaluate potential acquisitions or businesses which will constitute the Company's Qualifying Transaction, and once identified and evaluated, to negotiate an acquisition, merger or other transaction subject to receipt of regulatory and, if required, shareholder approval.

When a potential Qualifying Transaction has been identified for completion, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional equity and debt financing.

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RECENT HIGHLIGHTS

On December 13, 2019, the Company entered into a promissory note payable with a third party for a principal amount of \$20,000. The note payable bears interest at 10% per annum, calculated and compounded annually. The principal amount and the interest accrued are due on demand.

On January 6, 2020, the Company entered into a promissory note payable with a third party for a principal amount of \$3,500. The note payable bears interest at 10% per annum, calculated and compounded annually. The principal amount and the interest accrued are due on demand.

RESULTS OF OPERATIONS

As of the date of this MD&A, the Company had not yet commenced operations other than the identification, evaluation of assets or businesses that would constitute a Qualifying Transaction. Therefore, the Company had not yet recorded any operating revenues.

Net loss for the years ended December 31, 2019 and 2018, represented by expenses, was \$61,977 and \$35,967, respectively, which represents a loss of \$0.01 and \$0.01 per share, respectively, on both a basic and diluted basis. The diluted loss per share does not include the effect of stock options as the effect of their inclusion would be anti-dilutive as there was a loss for the year.

	2019 \$	2018 \$
Expenses		
Accounting and audit	24,691	8,861
Filing fees	11,795	6,405
Legal and professional fees	17,802	11,457
Service contracts	7,486	8,722
Bank charges and interest	193	322
Other	10	200
Loss for the year	(61,977)	(35,967)

The loss for year ended December 31, 2019 increased in comparison to 2018 due to increased activity and change in administration of the Company. The increase in expenses was primarily as a result of increases in accounting and audit fees from \$8,861 for the year ended December 31, 2018 to \$24,691 for the year ended December 31, 2019 arising from the change in administration of the Company and the need for third party accounting services. Legal and professional fees increased from \$11,457 for the year ended December 31, 2018 to \$17,802 for the year ended December 31, 2019 arising from increased activity of the Company in seeking a Qualifying Transactions as well as change in administration.

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SELECTED ANNUAL INFORMATION

The following is a summary of certain selected audited financial information of the Company for the years ended December 31, 2019, 2018 and 2017.

	2019	2018	2017
	(\$)	(\$)	(\$)
Total Revenue	-	-	-
Net Loss	(61,977)	(35,967)	(18,375)
Net Loss Per Share	(0.01)	(0.01)	(0.00)
Total Assets	3,678	31,039	54,624
Long Term Debt	-	-	-
Dividends Declared	-	-	-

The loss in the year ended December 31, 2019 was higher due to the change in administration of the Company necessitating third party accounting services, increased activity for seeking a Qualifying Transaction resulting in an increase in audit fees and legal fees of the Company.

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's quarterly results for the 8 most recent quarters is as follows:

<i>Three Months Ended:</i>	Dec 31, 2019	Sep 30, 2019	June 30, 2019	March 31, 2019
Total revenue	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(\$17,503)	(\$17,765)	(\$15,037)	(\$11,672)
Net loss per share (basic and diluted) ¹	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

¹ Due to rounding, the sum of the quarterly net loss per share amounts may not equal the annual net loss per share amount.

<i>Three Months Ended:</i>	Dec 31, 2018	Sep 30, 2018	June 30, 2018	March 31, 2018
Total revenue	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(\$19,246)	(2,376)	(\$9,270)	(\$5,075)
Net loss per share (basic and diluted) ¹	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

¹ Due to rounding, the sum of the quarterly net loss per share amounts may not equal the annual net loss per share amount.

The net loss for the quarter ended December 31, 2019 was due to charges for filing fees, accounting and audit fees and legal fees. The net loss for the quarters ended June 30, 2019, March 31, 2019, June 30, 2018 and March 31, 2018 were due to charges for filing fees, audit fees and for the quarter ended December 31, 2018 was, in addition to the foregoing, due to charges for legal fees, which increased as a result of the increases in the general corporate activities compared to other quarters.

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THE THREE MONTHS ENDED DECEMBER 31, 2019

Net loss for the three months ended December 31, 2019 and 2018, represented by expenses, was \$17,503 and \$19,246, respectively, which represents a loss of \$0.00 and \$0.00 per share, respectively, on both a basic and diluted basis. The diluted loss per share does not include the effect of stock options as the effect of their inclusion would be anti-dilutive as there was a loss for the year.

	2019 \$	2018 \$
Expenses		
Accounting and audit	13,057	7,501
Filing fees	3,276	-
Legal and professional fees	3,241	11,457
Service contracts	(2,184)	287
Bank charges and interest	193	-
Other	(80)	1
Loss for the year	(17,503)	(19,246)

The loss for three months ended December 31, 2019 decreased in comparison to the same period in 2018 due primarily to a decrease in legal and professional fees from \$11,457 for the three months ended December 31, 2018 to \$3,241 for the three months ended December 31, 2019 arising from increased activity of the Company as a result of the change in administration during the fourth quarter 2018. This was partially offset by an increases in accounting and audit fees from \$7,501 for the three months ended December 31, 2018 to \$13,057 for the three months ended December 31, 2019 arising from the change in administration of the Company and the need for third party accounting services. Service contracts for the three months ended December 31, 2019 showed a recovery of \$2,184, compared with an expense of \$287 for the three months ended December 31, 2018, which arose as a result of a reversal for accrued expenses for a services contract which was rescinded during the three months ended December 31, 2019.

LIQUIDITY

As at December 31, 2019, the Company had cash of \$1,559. The Company's total liabilities outstanding as of December 31, 2019 were \$56,269. The Company's working capital deficit as at December 31, 2019 was \$52,591.

The Company has not pledged any of its assets as security for loans and is not otherwise subject to any debt covenants.

Until such time as the Company identifies a Qualifying Transaction, it is contemplated that the working capital requirements of the Company will relate generally to the expenses of maintaining the listing of the Company's common shares on the Exchange, other expenses associated with the Company's continuous disclosure obligations under applicable securities legislation and costs incurred in identifying, evaluating and executing a potential Qualifying Transaction. The only material ongoing obligations of the Company relates to the payment of transfer agency fees, office rental fees and legal, audit and accounting fees.

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The Company does not have any commitments apart from the callable promissory notes payable and associated accrued interest.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Prior to November 23, 2018, Plymouth Group Real Estate, LLC (the prior Sponsor), a related entity under common control, allocated certain employees and office space in order to provide the day-to-day operations of the Company. The prior Sponsor did not charge the Company for any of these costs.

As at December 31, 2019, the Company had a balance of \$2,697 (2018 - \$2,697) due to shareholders. Amounts due to shareholders represent overpayments made for the initial issuance of common shares. These amounts are non-interest bearing and have no set terms of repayment.

Compensation paid or accrued to key management or companies controlled by key management personnel during the year was \$nil (2018 - \$nil). All transactions with related parties have occurred in the normal course of operations.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of accounts payable and accrued liabilities, promissory note payable and due to shareholders, the fair value of which approximates carrying value due to the short-term nature of these instruments. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties in paying its financial liabilities. The Company manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. Accounts payable are due under normal commercial terms. As at December 31, 2019, the Company had cash of \$1,559 (2018 - \$31,039) to settle liabilities of \$56,269 (2018 - \$21,653) due within 12 months. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a qualifying transaction by the Company, as defined under the policies of the TSX-V. As the Company has not completed a qualifying transaction in the expected time period, additional costs have been incurred to cover the Company's general expenses. This has resulted in the Company exceeding this restriction.

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Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash balances are not held in investment accounts, therefore, is not exposed to the risk from interest rate fluctuations.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the party by failing to pay for its obligations. The Company is subject to credit risk with respect to its cash balances. The Company mitigates credit risk by depositing cash with a Canadian schedule I chartered bank and monitoring the bank's credit ratings.

CHANGES IN ACCOUNTING POLICIES

New and amended standards adopted by the company

IFRS 16, *Leases* ("IFRS 16"), is a new standard that sets out the principles for the recognition, measurement and disclosure of leases. This new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessors, IFRS 16 carries forward the lessor accounting requirements in IAS 17, *Leases*, with enhanced disclosure requirements that will provide information to the users of financial statements about a lessor's risk exposure, particularly to residual value risk. IFRS 16 was applicable to the Company as of January 1, 2019. The adoption of this standard did not have a material measurement or disclosure impact on the Company's financial statements as the Company does not have any leases.

OUTSTANDING SHARE DATA

Authorized

The Company is authorized to issue an unlimited number of common shares.

Issued

As at December 31, 2019 and as at the date of this MD&A, the Company has 6,225,000 common shares issued and outstanding, and 1,300,000 shares held in escrow.

RISKS AND UNCERTAINTIES

The Company has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction (as defined in Policy 2.4 of the Exchange) and may never pay dividends.

Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Although management of the Company is working diligently to identify and complete a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be completed. The continued operation of the Company is dependent on its ability to complete a Qualifying Transaction and generate profitable operations in the future.

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In addition, as the Company has failed to complete a Qualifying Transaction within the time limitations permissible, the Exchange could suspend or delist the Company's common shares, in which event the applicable securities regulatory authorities may issue a cease trade order against the Company's securities. In addition, as a consequence of having failed to complete a Qualifying Transaction within the time limitations, the Company has previously cancelled 1,300,000 common shares of the Company held by related parties.

COVID-19

Subsequent to December 31, 2019, significant declines in the stock market have occurred for various reasons linked to the COVID-19 global pandemic. The impacts to the Company are not determinable at this date, however these could be material to the Company's ability to raise new capital and thus the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the audited financial statements for the year ended December 31, 2019 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.