

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

ITEM 1. Name and Address of Company

Parkit Enterprise Inc.  
666 Burrard Street, Suite 500  
Vancouver, British Columbia V6C 2X8

ITEM 2. Date of Material Change

December 29, 2020

ITEM 3. News Releases

A press release in the form of Schedule A attached hereto was disseminated on December 29, 2020 via Newsfile, and subsequently filed on the System for Electronic Document Analysis and Retrieval ([www.sedar.com](http://www.sedar.com)).

ITEM 4. Summary of Material Change

Parkit Enterprise Inc. (“**Parkit**”) (TSXV:PKT)(OTC:PKTEF) has completed its previously announced acquisition of two industrial properties, one located at 5600 Finch Ave East, Toronto, Ontario and the other at 4390 Paletta Court, Burlington, Ontario (the “**Properties**”), for an aggregate purchase price of \$36,250,000. Concurrent with the closing of the acquisitions, Parkit also completed its previously announced \$10,000,000 private placement of common shares. In connection with the completion of these transactions, Parkit’s board was reconstituted with the addition of Steven Scott, Iqbal Khan and Julie Neault. It is anticipated that Blair Tamblyn will be proposed as a nominee for election as a director of Parkit at its upcoming annual meeting of shareholders. In connection with these additions, Brad Miller and Elie Norowitz have resigned from the Parkit board.

ITEM 5. Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in the Company’s press release which is attached as Schedule A and is incorporated herein.

5.2 Disclosure for Restructuring Transactions

Not applicable.

ITEM 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

ITEM 7. Omitted Information

Not applicable.

ITEM 8. Executive Officer

The following officer of the Company may be contacted for further information:

JoAnne Odette  
CFO  
Parkit Enterprise Inc.  
Phone: 604-424-8700  
Email: [ir@parkitenterprise.com](mailto:ir@parkitenterprise.com)

ITEM 9. Date of Report

This report is dated this 30<sup>th</sup> day of December, 2020.

## SCHEDULE A

### PRESS RELEASE

For Immediate Release

December 29, 2020

### **PARKIT ENTERPRISE COMPLETES \$36.25MM INDUSTRIAL REAL ESTATE ACQUISITION AND \$10MM PRIVATE PLACEMENT AND ANNOUNCES BOARD CHANGES**

**PARKIT ENTERPRISE INC.** (“**Parkit**”) (TSXV:PKT)(OTC:PKTEF) is pleased to announce that it has completed its previously announced (see press release dated November 24, 2020) acquisition of two industrial properties, one located at 5600 Finch Ave East, Toronto, Ontario and the other at 4390 Paletta Court, Burlington, Ontario (the “**Properties**”), for an aggregate purchase price of \$36,250,000. Concurrent with the closing of the acquisitions, Parkit also completed its previously announced \$10,000,000 private placement of common shares. In connection with the completion of these transactions, Parkit's board was reconstituted with the addition of Steven Scott, Iqbal Khan and Julie Neault. It is anticipated that Blair Tamblyn will be proposed as a nominee for election as a director of Parkit at its upcoming annual meeting of shareholders. Biographies of each of the directors can be found in Parkit's November 24, 2020 press release. In connection with these additions, Brad Miller and Elie Norowitz have resigned from the Parkit board.

#### **Focus on Industrial Properties**

Beginning with the purchase of the Properties, Parkit intends to focus on the acquisition of high-quality industrial properties in key markets throughout Canada. Management believes that the industrial real estate market in Canada benefits from secular tailwinds, including but not limited to the proliferation of e-commerce, significant population growth, and the resilience of the asset class. Management believes that the additions to the Parkit board adds the depth of experience needed to capitalize on this opportunity. Management believes that a publicly traded industrial real estate growth vehicle will provide investors with compelling exposure to an increasingly important part of the real estate market.

Avi Geller, Parkit's CEO, said “We are excited to close the transaction and welcome Steven Scott, Iqbal Khan and Julie Neault to Parkit. We have had the chance to work with them over the course of this transaction and we are excited about Parkit's future. In addition, I would like to thank Elie and Brad for the professionalism and talent that they exhibited on our board over the past few years. We greatly appreciate all that they have done for the company and it has been a pleasure to serve with them.”

Steven Scott, the proposed incoming Chair of Parkit, states “The last 5 years have shown tremendous demand for warehouse, logistics and ecommerce solutions. With historically low cost of debt and continued population growth, the proposed transaction positions Parkit to capitalize on these trends.”

#### **Purchase Price and Payment**

The purchase price for the acquisitions was \$36,250,000, subject to adjustments. The Purchase price was satisfied as follows: (i) the sum of \$10,000,000 by the issuance of 40,000,000 common shares of Parkit (“**Common Shares**”) at a deemed price of \$0.25 per Common Share, with 20,000,000 of such Common Shares being issued to each of the vendors; (ii) the assumption of mortgages on the Properties totaling

approximately \$17,800,000 (“**Mortgage Assumptions**”); and (iii) Vendor take-back loans in the aggregate amount of approximately \$8,450,000 (“**Vendor Take-Back Loans**”).

## **Properties**

The two Properties total 230,000 square feet of rentable industrial space in the Greater Toronto Area. The Properties are fully leased with the leases having an average term remaining of 4.8 years. The Finch Avenue East Property has been owned by the vendor thereof since 1987, and the Paletta Court Property has been owned by the vendor thereof since 1995. The Properties have an appraised value of \$36,425,000 from an arm’s length third party.

The Finch Avenue East Property is owned by NAWOC Holdings Limited, a private Ontario company which is controlled by Access Self Storage Inc., and the Paletta Court Property is owned by SRS Realty Group Inc., a private Ontario company controlled by Steven Scott.

## **Management**

Avi Geller will continue as Chief Executive Officer of Parkit and JoAnne Odette will continue as Chief Financial Officer of Parkit.

Concurrent with the completion of these transactions, Parkit entered into a property management agreement with Access Results Management Services Inc. (the “**Manager**”), an affiliate of one of the vendors, to manage the Properties. The management agreement among the Manager and Parkit has, subject to certain conditions, a term of 5 years from the closing date and results in industry standard (non-material) compensation payable to the Manager.

## **Private Placement**

Concurrently with the closing of the acquisitions, Parkit completed a non-brokered private placement offering of 40,000,000 Common Shares at a price of \$0.25 per Common Share, for gross proceeds of \$10,000,000 (the “**Private Placement**”). The net proceeds of the Private Placement will be used for future acquisitions, expansions and general working capital. The securities issued in connection with the Private Placement were issued pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. Such securities are subject to a four month hold period which will expire on April 30, 2021.

Pursuant to the Private Placement, Parkit issued Common Shares to certain purchasers that are considered to be “related parties” (within the meaning of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“MI 61-101”)), making the Private Placement a “related party transaction” (within the meaning of MI 61-101) (the “**Related Party Subscriptions**”). Parkit was exempt from obtaining a formal valuation for, and minority approval of, the Related Party Subscriptions pursuant to Section 5.5(b) and 5.7(1)(b) of MI 61-101, respectively.

Leonite Capital LLC, a company controlled by Avi Geller, subscribed for a total of 2,000,000 Common Shares pursuant to the Private Placement. Mr. Geller is an officer and director of Parkit and a “related party” of Parkit (within the meaning of MI 61-101). Leonite Capital Ltd. and Mr. Geller now beneficially own, or exercise control or direction over, 8,717,205 Common Shares (or, approximately 7.6% of the issued and outstanding Common Shares).

KDI Corporation Ltd., a company controlled by David Delaney, subscribed for a total of 400,000 Common Shares pursuant to the Private Placement. Mr. Delaney is a director of Parkit and a “related party” of Parkit (within the meaning of MI 61-101). KDI Corporation Ltd. and Mr. Delaney now beneficially own, or exercise control or direction over, 903,142 Common Shares (or, approximately 0.8% of the issued and outstanding Common Shares).

B&M Miller Equity Holdings Inc., a company controlled by Brad Miller, subscribed for a total of 400,000 Common Shares pursuant to the Private Placement. Mr. Miller was a director of Parkit at the time of the closing of the Private Placement and a “related party” of Parkit (within the meaning of MI 61-101). B&M Miller Equity Holdings Inc. now beneficially owns, or exercises control or direction over, 1,044,827 Common Shares (or, approximately 0.9% of the issued and outstanding Common Shares).

Brad Dunkley subscribed for a total of 7,200,000 Common Shares pursuant to the Private Placement. Mr. Dunkley is a director of Parkit and a “related party” of Parkit (within the meaning of MI 61-101). Mr. Dunkley now beneficially owns, or exercises control or direction over, 11,368,568 Common Shares (or, approximately 9.9% of the issued and outstanding Common Shares).

The material change report to be filed in relation to the private placement will not be filed at least 21 days prior to the issuance of the Common Shares under the Related Party Subscriptions, as contemplated by MI 61-101. Parkit believes that this shorter period is reasonable and necessary in the circumstances as the completion of the Private Placement occurred shortly before the issuance of the news release and the upcoming filing of the material change report in relation to the Private Placement.

### **Early Warning Disclosure**

As a result of the completion of the transactions described in this press release, NAWOC Holdings Limited beneficially owns and has control of 20,000,000 Common Shares which represents approximately 17.4% of the issued and outstanding Common Shares as calculated in accordance with *National Instrument 62-104 Take-Over Bids and Insider Bids* (“NI 62-104”). Prior to the completion of the transaction it did not own or have direct or indirect control over any Common Shares. NAWOC Holdings Limited has a long-term view of its investment in Parkit and may acquire additional securities of Parkit including on the open market or through private acquisitions or sell the securities including on the open market or through private dispositions in the future depending on market conditions and other relevant factors. NAWOC Holdings Limited's head office is located at 100 Canadian Rd, Scarborough, ON M1R 4Z5.

As a result of the completion of the transactions described in this press release, SRS Realty Group Inc. beneficially owns and has control of 20,000,000 Common Shares which represents approximately 17.4% of the issued and outstanding Common Shares as calculated in accordance with NI 62-104. Prior to the completion of the transaction it did not own or have direct or indirect control over any Common Shares. SRS Realty Group Inc. has a long-term view of its investment in Parkit and may acquire additional securities of Parkit including on the open market or through private acquisitions or sell the securities including on the open market or through private dispositions in the future depending on market conditions and other relevant factors. SRS Realty Group Inc.'s head office is located at 100 Canadian Rd, Scarborough, ON M1R 4Z5.

As a result of the completion of the transactions described in this press release Leonite Capital LLC's holdings have fallen below 10% of the outstanding Common Shares which requires the filing of an

update to Leonite's previously filed early warning report. Following the filing of the early warning report Leonite will no longer file early warning reports in respect of its ownership of Parkit securities, except as may be required by applicable law. Prior to the completion of the transactions Leonite and its principal Avi Geller had ownership and control over 6,717,205 Common Shares representing approximately 19.2% of the outstanding Common Shares and following the completion of the transactions, Leonite and its principal Avi Geller have ownership and control of 8,717,205 Common Shares representing approximately 7.6% of the issued and outstanding Common Shares. Leonite has a long-term view of its investment in Parkit and may acquire additional securities of Parkit including on the open market or through private acquisitions or sell the securities including on the open market or through private dispositions in the future depending on market conditions and other relevant factors. Leonite's head office is located at 1 Hillcrest Center Dr., Suite 232, Spring Valley, NY USA 10977.

As a result of the completion of the transactions described in this press release Brad Dunkley's holdings have fallen below 10% of the outstanding Common Shares which requires the filing of an update to Mr. Dunkley's previously filed early warning report. Following the filing of the early warning report Mr. Dunkley will no longer file early warning reports in respect of his ownership of Parkit securities, except as may be required by applicable law. Prior to the completion of the transactions Mr. Dunkley had ownership and control over 4,168,568 Common Shares representing approximately 11.9% of the outstanding Common Shares and following the completion of the transactions, Mr. Dunkley has ownership and control of 11,368,568, Common Shares representing approximately 9.9% of the issued and outstanding Common Shares. Mr. Dunkley has a long-term view of his investment in Parkit and may acquire additional securities of Parkit including on the open market or through private acquisitions or sell the securities including on the open market or through private dispositions in the future depending on market conditions and other relevant factors. Mr. Dunkley's address is 1133 Yonge Street, 5th Floor, Toronto, Ontario M4T 2Y7.

A copy of the early warning reports referenced above will appear with Parkit's filings on the System for Electronic Document Analysis and Retrieval (SEDAR) and may be obtained upon request from Parkit's Chief Financial Officer at 604-424-8700. Parkit's head office address is located at 666 Burrard Street, Suite 500, Vancouver, BC, Canada, V6C 2X8. The disclosure in this press release under the heading "Early Warning Disclosure" has been issued under the early warning provisions of applicable Canadian securities legislation.

## **About PARKIT**

Parkit Enterprise Inc. is engaged in the acquisition, optimization and asset management of income producing industrial real estate and parking facilities across Canada and the United States . Parkit's Common Shares are listed on TSX-V (Symbol: PKT) and on the OTC (Symbol: PKTEF).

For more information, please contact:

Investor Relations

Email: [ir@parkitenterprise.com](mailto:ir@parkitenterprise.com)

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

Forward-Looking Information: This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein is forward-looking information. Generally, forward-looking information may be

identified by the use of forward-looking terminology such as “plans”, “ expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this press release contains forward-looking information in relation to: Parkit’s new focus on industrial real estate and the potential opportunities of such new focus; the impact that the new board members will have on the development of Parkit; the intention to add Blair Tamblyn to the Parkit board at Parkit’s next AGM; the use of proceeds of the Private Placement, including potential future acquisitions and expansions. This forward-looking information reflects Parkit’s current beliefs and is based on information currently available to Parkit and on assumptions Parkit believes are reasonable. These assumptions include, but are not limited to: market acceptance of the acquisitions and the Private Placement; the anticipated need for industrial properties; and Parkit’s continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Parkit to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive shareholder, board, third party or regulatory approvals; the actual results of Parkit’s future operations; competition; changes in legislation, including environmental legislation, affecting Parkit; the timing and availability of external financing on acceptable terms; conclusions of economic evaluations; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; and the impact that the COVID-19 pandemic may have on Parkit which may include: decreased demand for the services that Parkit offers; and a deterioration of financial markets that could limit Parkit’s ability to obtain external financing. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Parkit’s disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Although Parkit has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking information contained in this press release is expressly qualified by this cautionary statement. The forward-looking information contained in this press release represents the expectations of Parkit as of the date of this press release and, accordingly, are subject to change after such date. However, Parkit expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.