PARKIT ENTERPRISE INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021

(UNAUDITED)

Notice of Non-review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the condensed consolidated interim financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

AS AT		March 31, 2021		December 31, 2020
				(note 2)
ASSETS				
Investment properties (note 3)	$	76,812,520	$	36,250,000
Investment in equity-accounted investees and long-term receivable (note 4)		14,398,793		14,557,264
Cash		82,421,631		9,140,322
Accounts receivable (note 5)		321,346		297,154
Prepaid expenses and deposits		219,796		87,550
	$	**174,174,086**	**$**	**60,332,290**
LIABILITIES AND EQUITY				
Debt (note 6)	$	17,462,911	$	25,923,039
Accounts payable and other liabilities (note 7)		1,080,482		728,190
		18,543,393		**26,651,229**
Equity (note 8)				
Share capital		167,194,094		43,405,872
Contributed surplus		22,342		34,700
Deficit		(11,585,743)		(9,759,511)
		155,630,693		**33,681,061**
	$	**174,174,086**	**$**	**60,332,290**

Commitments (note 4)

Approved and authorized by the Board on May 26, 2021:

"Steven Scott" Director   *"Avi Geller"* Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

		For the three months ended March 31, 2021		For the three months ended April 30, 2020
				(note 2)
Investment properties revenue	$	594,696	$	-
Investment properties expenses		(232,423)		-
Net rental income		362,273		-
Other income and expenses				
Share of loss from equity-accounted investees (note 4)		315,855		322,927
General and administrative expenses and other income (note 9)		338,290		51,801
Transaction costs and land transfer taxes (note 3)		1,103,901		-
Depreciation (note 3)		187,480		-
Finance costs (note 10)		242,662		-
		2,188,188		374,728
Loss before tax		**(1,825,915)**		**(374,728)**
Income tax (expense) recovery		(317)		345
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$**	**(1,826,232)**	**$**	**(374,383)**
Loss per share attributable to shareholders of the Company:				
Basic	$	(0.01)	$	(0.01)
Diluted	$	(0.01)	$	(0.01)
Weighted average number of common shares outstanding:				
Basic		160,505,932		34,854,257
Diluted		160,505,932		34,854,257

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended March 31, 2021	For the three months ended April 30, 2020 (note 2)
OPERATING ACTIVITIES		
Net loss for the period	$ (1,826,232)	$ (374,383)
Items not affecting cash:		
Share of loss from joint ventures	315,855	322,927
Share-based payments	-	2,128
Unrealized foreign exchange	19,510	(103,126)
Transaction costs and land transfer taxes	1,103,901	-
Depreciation	187,480	-
Finance costs	242,662	-
Changes in non-cash working capital items:		
Accounts receivable	(27,798)	2,783
Prepaid expenses and deposits	(132,246)	(10,563)
Accounts payable and other liabilities	477,438	(17,168)
Cash flows from (used in) operating activities	360,570	(177,402)
INVESTING ACTIVITIES		
Acquisition of investment properties	(36,749,500)	-
Transaction costs and land transfer taxes	(1,219,446)	-
Contributions to joint venture (note 4)	(172,456)	-
Distributions from joint venture	-	418,275
Cash flows (used in) from investing activities	(38,141,402)	418,275
FINANCING ACTIVITIES		
Proceeds from private placements (note 8(a))	125,261,003	-
Share issuance costs	(5,459,079)	-
Proceeds from exercise of stock options	28,000	-
Repayment of debt	(8,465,046)	-
Interest paid	(238,494)	-
Debt issuance costs	(61,087)	-
Cash flows from financing activities	111,065,297	-
Change in cash during the period	73,284,465	240,873
Effect of exchange rate changes on cash	(3,156)	29,751
Cash, beginning of period	9,140,322	551,455
CASH , END OF PERIOD	**$ 82,421,631**	**$ 822,079**

Supplemental information with respect to cash flows (note 13)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital								
	Number		**Amount**		**Contributed Surplus**		**Deficit**		**Total**
Balance, December 31, 2020	114,854,257	$	43,405,872	$	34,700	$	(9,759,511)	$	33,681,061
Shares issued – private placements	115,928,390		125,261,003		-		-		125,261,003
Shares issued – consideration for acquisition of investment properties	2,667,000		4,000,500		-		-		4,000,500
Shares issued – exercise of stock options	100,000		40,358		(12,358)		-		28,000
Share issuance cost	-		(5,513,639)		-		-		(5,513,639)
Net loss for the period	-		-		-		(1,826,232)		(1,826,232)
Balance, March 31, 2021	**233,549,647**	**$**	**167,194,094**	**$**	**22,342**	**$**	**(11,585,743)**	**$**	**155,630,693**

	Share capital								
	Number		**Amount**		**Contributed Surplus**		**Deficit**		**Total**
Balance, January 31, 2020	34,854,257	$	23,457,588	$	31,226	$	(2,954,620)	$	20,534,194
Share-based payments	-		-		2,128		-		2,128
Net loss for the period	-		-		-		(374,383)		(374,383)
Balance, April 30, 2020	**34,854,257**	**$**	**23,457,588**	**$**	**33,354**	**$**	**(3,329,003)**	**$**	**20,161,939**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

Parkit Enterprise Inc. ("Parkit" or the "Company") was incorporated pursuant to the *Business Corporations Act* (British Columbia) on December 6, 2006. The Company's head office and principal address is 500 – 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8, and its registered and records office is 2900 – 595 Burrard Street, Vancouver, British Columbia V7X 1J5. Parkit's common shares are listed on TSX Venture Exchange ("TSX-V") (Symbol: PKT) and on the OTC (Symbol: PKTEF).

Parkit is engaged in the acquisition, growth and management of industrial real estate in Canada to complement its parking assets in the United States (note 3). The Company, through its subsidiary Greenswitch America, Inc. holds investments in parking real estate in the United States of America.

2. SIGNIFICANT ACCOUNTING POLICIES

Change in fiscal year-end and comparatives

Effective December 31, 2020, the Company changed its financial year-end to December 31 from October 31. Comparative figures in preparing these condensed consolidated interim financial statements have been reclassified to conform to the current period presentation, and to reflect the results for the three months ended April 30, 2020 in the condensed consolidated interim statements of operations and comprehensive loss, cash flows and changes in equity.

Basis of preparation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent fiscal year-end consolidated financial statement, and should be read in conjunction with the Company's consolidated financial statements as of December 31, 2020, which were prepared in accordance with IFRS as issued by the IASB. The accounting policies set out in Note 3 of the Company's audited financial statements as at December 31, 2020, have been applied in preparing these condensed interim consolidated financial statements.

Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires that the Company's management make assumptions and estimates of effects of various future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. 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. Actual results may materially differ from these estimates.

A full list of the key sources of estimation uncertainty can be found in the Company's audited consolidated financial statements as of December 31, 2020. The full extent of the impact of COVID-19 on the Company's and its joint venture operations and future financial performance remain unknown, and this uncertainty could materially affect estimates and assumptions used to prepare the condensed consolidated interim financial statements, particularly related to the estimation of fair values and recoverable amounts reported by the Company, its associate and its joint ventures.

(Expressed in Canadian Dollars)

3. INVESTMENT PROPERTIES

	Three months ended March 31, 2021
Balance at beginning of period	**$ 36,250,000**
Additions:	
Direct acquisitions	40,750,000
Transaction costs and land transfer taxes (i)	1,103,901
Total additions to investment properties	**41,853,901**
Changes included in net loss:	
Transaction costs and land transfer taxes (i)	(1,103,901)
Depreciation	(187,480)
Total changes included in net loss	**(1,291,381)**
Balance at end of period ii	**$ 76,812,520**

i. Transaction costs and land transfer taxes incurred for the investment properties acquisition totalled $1,103,901 for the three-month period ended March 31, 2021. Any transaction costs with respect to an asset acquisition are capitalized to the underlying asset. However, where the transaction costs and land transfer taxes exceed the fair value of the asset on acquisition, the transaction costs will be expensed in the period incurred.

ii. Certain investment properties are pledged as security for debt as of March 31, 2021 (note 6).

The Company's investment properties acquisitions for the three months ended March 31, 2021 are detailed below:

	Purchase price	Date acquired
5610 Finch Ave East, Toronto, Ontario	$ 12,250,000	March 15, 2021
1165 Kenaston Street, Ottawa, Ontario (notes 8(a) and 11)	28,500,000	March 18, 2021
Total acquisition of investment properties	**$ 40,750,000**	

The Company elected to use the optional concentration test under IFRS 3 to the acquisition of these two industrial properties and concluded that they constitute an acquisition of assets as substantially all of the fair value was concentrated in a single asset.

As of March 31, 2021, the cost of investment properties of $77,000,000 is comprised of $36,069,075 in land and $40,930,925 in buildings. The Company recorded depreciation of $187,480 for the three months ended March 31, 2021.

The Company leases industrial properties to tenants under operating leases. Minimum rental commitments on non-cancellable tenant operating leases over their remaining terms are as follows:

	March 31, 2021
2021	$ 2,701,155
2022	3,500,613
2023	3,425,070
2024	2,855,433
2025	2,617,555
2026+	8,245,048
Total	**$ 23,344,874**

(Expressed in Canadian Dollars)

4. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES AND LONG-TERM RECEIVABLE

	March 31, 2021	December 31, 2020
Investment in joint ventures	$ 12,548,406	$ 12,691,805
Investment in associate	643,187	643,187
Long-term receivable	1,207,200	1,222,272
Balance – end of period	**$ 14,398,793**	**$ 14,557,264**

Interests in joint ventures

The Company uses the equity method for accounting for joint ventures. The significant joint venture of the Company is as follows:

Name of Joint Venture	Place of Incorporation	Percentage Ownership March 31, 2021	Percentage Ownership December 31, 2020	Principal Activity	Functional Currency
PAVe LLC	USA	50%	50%	Member/Administrator of OP Holdings and PAVe Nashville, LLC	US

PAVe LLC

In April 2015, the Company's subsidiary, Greenswitch America and PRE jointly created separate legal entities, PAVe LLC and PAVe Admin to manage and oversee the parking assets of OP Holdings as an administrator. PAVe Admin is an entity created for legal purposes and holds no assets or liabilities.

PAVe LLC has different class of membership units, and the entitlements to distributions from these investments are different among each class PAVe LLC.

The Company is entitled to an 82.83% (December 31, 2020 – 82.83%) economic allocation of distributions from OP Holdings to PAVe LLC. PAVe LLC is a 29.45% (December 31, 2020 – 29.45%) equity member of OP Holdings with PAVe LLC accounting for OP Holdings as an investment in associate. OP Holdings holds a portfolio of U.S. based parking facilities, including Canopy, previously held by Green Park Denver, LLC ("Green Park Denver").

PAVe LLC also owns 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.

(Expressed in Canadian Dollars)

4. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES AND LONG-TERM RECEIVABLE (continued)

Carrying values of joint ventures

The activity for the Company's investment in PAVe LLC is set out below:

		Three months ended March 31, 2021
Balance – beginning of period	$	12,691,805
Contributions		172,456
Share of loss from joint ventures		(315,855)
Balance – end of period	**$**	**12,548,406**

Commitments

The Company has a commitment to contribute 5% of any capital call made by the joint venture. Capital calls will be made for the purpose of acquiring new parking real estate assets as jointly agreed by the members, and at other times as the joint venture may require working capital. Pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, upon earning the second earn-out contingent consideration, PAVe LLC member contributions to OP Holdings in respect of any future capital commitments approximate US$1,652,000, of which the Company was required to contribute US$725,000.

In connection with the acquisition of Fly-Away Parking in October 2015, 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 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 285 basis points and matures on October 30, 2022. As of March 31, 2021, the outstanding principal balance was US$4,349,137. No provision has been accrued by the Company at March 31, 2021 with respect to this commitment.

Summarized financial information of joint venture

The assets and liabilities of the joint ventures translated into Canadian dollars are summarized as follows:

		March 31, 2021		December 31, 2020
Cash	$	462,251	$	256,033
Other current assets		10,402		10,532
Parking facility		6,125,748		6,149,488
Goodwill		872,974		883,873
Interest in associate		15,149,228		15,534,980
Subtotal - assets		22,620,603		22,834,906
Accounts payable		388,341		570,116
Borrowings		6,814,158		6,494,170
Subtotal - liabilities		7,202,499		7,064,286
Net assets of joint ventures		**15,418,104**		**15,770,620**
Company's interests in net assets - (i)		82%		83%
Net assets attributable to the Company - (ii)	**$**	**12,709,151**	**$**	**13,012,382**
Investment in joint venture - (iii)	**$**	**12,548,406**	**$**	**12,691,805**

(Expressed in Canadian Dollars)

4. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES AND LONG-TERM RECEIVABLE (continued)

Summarized financial information of joint venture (continued)

The operations of the joint ventures translated using average exchange rates for the period are summarized as follows:

	For the three months ended March 31, 2021	For the three months ended April 30, 2020
Property revenue	$ 169,714	$ 440,893
Property expenses	(291,035)	(387,882)
Net property loss	(121,321)	53,011
Depreciation expense	(62,930)	(68,522)
Mortgage interest expense	(123,594)	(49,216)
Loss – property operations	(307,845)	(64,727)
Loss from associate	(195,501)	(265,795)
General and administrative expenses	-	(74,107)
Loss	$ (503,346)	$ (404,629)
Company share of loss [(iv)]	63%	80%
Share of loss from joint ventures	**$ (315,855)**	$ **(322,927)**

i. PAVe LLC has different classes of membership units, and the entitlements to voting and distributions are different among each membership class. The Company's entitlements to each membership class ranges from 0% to 82.83%. Accordingly, the Company has determined that it will equity account for its economic share of interest in the joint venture rather than its equity participation.

ii. The functional currency of the joint ventures is the United States dollar. The net assets of the joint venture and the net assets attributable to the Company in the above table were translated using the period end exchange rates.

iii. In accordance with the Company's accounting policy, the carrying value of the investment in the joint venture on the consolidated statements of financial position is translated into Canadian dollars at historical cost. The difference in the translation method accounts for the difference between "net assets attributable to the Company" and "investment in joint venture" in the above table.

iv. The Company, based on its membership in the OP Holdings joint venture and Fly Away Parking joint venture, is entitled to profits (losses) on the investments included in the joint ventures ranging from 50% to 88.8% based on the membership agreement and waterfall calculations for each joint venture. As a result, the calculated percentage of the Company's total share of profits (losses) of the joint venture profits (losses) will vary from period to period.

Investment in Associate

Green Park Denver

In April 2015, the Company's then subsidiary Green Park Denver sold Canopy Airport Parking ("Canopy") to OP Holdings, and in July 2015 Green Park Denver was deconsolidated as a subsidiary with the fair value of the retained interest in Green Park Denver recorded as an investment in associate accounted for using the equity method.

The only significant asset retained in the associate is an earnings-based contingent receivable from OP Holdings. The associate measures the contingent consideration receivable at fair value through profit or loss. The associate has no continuing operations and is being maintained to receive the earn-out payments.

(Expressed in Canadian Dollars)

4. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES AND LONG-TERM RECEIVABLE (continued)

Investment in Associate (continued)

The earn-out is payable in three tranches. The first tranche was earned and paid upon achievement of targets on April 22, 2016. The second tranche was earned and paid upon achievement of targets on April 22, 2017. The final tranche is payable upon disposition of certain assets in OP Holdings. Pursuant to the members' agreement, the Company's interest was 47.7% for the first tranche and 40.6% for the second and third tranches.

There was no activity for the three months ended March 31,2021.

Long-term receivable

	March 31, 2021	December 31, 2020
Advances to PRE	$ 1,243,419	$ 1,258,943
Less current portion (note 5)	(36,219)	(36,671)
Long term receivable	**$ 1,207,200**	**$ 1,222,272**

At the inception of the joint ventures, the Company advanced funds to Parking Real Estate, LLC ("PRE"), a joint venture partner, for the purpose of PRE funding investments in income producing properties and related costs of acquisition. As at March 31, 2021, the balance of the advance to PRE was $1,243,419 (US$988,802), of which $36,219 (US$28,802) is to be repaid from the assignment of certain distributions due to PRE and the balance of $1,207,200 (US$960,000) is to be repaid upon disposition of certain investments or parking assets.

There were no repayments during the three months ended March 31, 2021.

5. ACCOUNTS RECEIVABLE

	March 31, 2021	December 31, 2020
Current portion of advances to PRE (note 4)	$ 36,219	$ 36,671
Management fees	266,904	238,726
Rent receivable on investment properties	18,223	-
Parking services receivable	-	21,757
Total	**$ 321,346**	**$ 297,154**

(Expressed in Canadian Dollars)

6. DEBT

The debt is summarized as follow.

	Maturity range	Interest rate	March 31, 2021	December 31, 2020
Mortgages:				
At amortized cost – Fixed (i)	*Maturity: January 1, 2024*	4.46%	$ 8,361,461	$ 8,414,227
At FVTPL - Mortgages			9,075,999	8,612,822
- Interest rate swap (ii)			98,902	624,191
	Maturity: November 1, 2029	3.49%	9,174,901	9,237,013
Total mortgages			**17,536,362**	**17,651,240**
Vendor take-back loans (promissory notes):				
At amortized cost – Fixed (iii)	-	6%	-	8,350,168
Total Debt			**$ 17,563,362**	**$ 26,001,408**
Financing costs, net (iv)			(73,451)	(78,369)
Carrying value			**$ 17,462,911**	**$ 25,923,039**

i. The mortgage is collateralized by a first charge certain investment properties (note 3).

ii. The mortgage models a fixed rate mortgage with a set interest rate of 3.49% over a 10 year amortization period with a fixed monthly repayment. The components of a mortgage consist of (1) a mortgage with a non-revolving floating rate instalment payment in fixed principal amounts plus interest at the lender's prime rate plus 1.30% per annum, where prime rate is 1.5% and (2) banker acceptance swap for a stamping fee at 1.50% per annum. There is an interest rate swap that limits the floating interest rate exposure under the loan to a fixed rate of 3.49% per annum. The swap contract requires settlement of net interest receivable or payable every 30 days. The settlement dates coincide with the dates on which interest is payable on the underlying mortgage payable. As at March 31, 2021, the mortgage has been accounted for at FVTPL and the interest rate swap has been accounted for at FVTPL. The interest rate swap was in a net liability position amounting to $98,902.

iii. The vendor take-back loans were repaid in full during the three months ended March 31, 2021 (note 8(a)). The original maturity date was December 29, 2022,

iv. The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization of $4,918 at March 31, 2021.

(Expressed in Canadian Dollars)

6. DEBT (continued)

The following table provides a continuity of total debt for the three months ended March 31, 2021.

	Mortgages	Vendor take-back loans	Total
Total debt at December 31, 2020	**$ 17,572,871**	**$ 8,350,168**	**$ 25,923,039**
Debt repayment	(114,878)	(8,350,168)	(8,465,046)
Change in fair value of mortgage payable measured at FVTPL	525,289	-	525,289
Change in fair value of interest rate swap	(525,289)	-	(525,289)
Amortization of debt issuance costs	4,918	-	4,918
Total debt at March 31, 2021	**$ 17,462,911**	**$ -**	**$ 17,462,911**

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

	Total
Year 1	$ 351,450
Year 2	484,933
Year 3	504,291
Year 4 (i)	8,020,432
Year 5	289,383
Thereafter (i)	7,885,873
	$ 17,536,362

i. Includes debt balance due at maturity.

7. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	March 31, 2021	December 31, 2020
Current:		
Accounts payable and accrued liabilities	$ 491,724	$ 297,367
Accrued interest on debt (note 6)	57,475	58,225
Tax liabilities	186,110	188,434
Unearned revenue	72,777	-
	808,086	544,026
Non-current:		
Tenant deposits	272,396	184,164
Total	**$ 1,080,482**	**$ 728,190**

(Expressed in Canadian Dollars)

8. EQUITY

a) Authorized

Unlimited common shares, without par value.

On February 17, 2021, the Company completed a bought deal private placement offering of 72,631,585 common shares of the Company at a price of $0.95 per common share, for aggregate gross proceeds of $69,000,006. Net proceeds reflected a 4.75% commission. Concurrent with the offering, the Company completed a non-brokered private placement offering of 15,789,473 common shares at a price of $0.95 per common share for aggregate gross proceeds of $14,999,999. As part of the non-brokered private placement, the Company paid back the vendor take back loans for 5600 Finch Ave East and 4390 Paletta Court in full for $8.4 million plus interest (note 6). These vendors used a portion of the funds to participate in the non-brokered private placement. The securities issued in connection with the two private placements, which closed February 17, 2021, 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 June 18, 2021. Share issuance costs for these private placement totaled $3,523,272.

On March 18, 2021, the Company completed a bought deal private placement offering of 26,841,000 common shares of the Company at a price of $1.50 per common share, for aggregate gross proceeds of $40,261,500. Net proceeds reflected a 4.5% commission. Concurrent with the Offering, the Company completed a non-brokered private placement offering of 666,332 common shares at a price of $1.50 per common share for aggregate gross proceeds of $999,498. The securities issued in connection with the two private placements, which closed March 18, 2021, 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 July 19, 2021. Share issuance costs for these private placements totaled $1,990,367.

On March 18, 2021, the Company issued 2,667,000 common shares valued at $1.50 per common share for gross proceeds of $4,000,500 as part of the consideration for an investment property acquisition (notes 3 and 11). The common shares issued in connection with the acquisition are subject to a hold period under applicable Canadian securities laws expiring on July 19, 2021.

During the three months ended March 31, 2021, the Company issued 100,000 shares from the exercise of stock options for proceeds of $28,000. In connection with the exercise of stock options, the Company allocated $12,358 from contributed surplus to share capital.

b) Stock Options

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at December 31, 2020	250,000	$ 0.28
Exercised	(100,000)	0.28
Balance as at March 31, 2021	**150,000**	**$ 0.28**

(Expressed in Canadian Dollars)

8. EQUITY (continued)

b) Stock Options (continued)

As at March 31, 2021, the following stock options were outstanding and exercisable:

Exercise Price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
$0.27	50,000	50,000	3.44
$0.29	50,000	50,000	2.39
$0.30	50,000	50,000	0.78
	150,000	150,000	2.20

9. GENERAL AND ADMINISTRATIVE EXPENSES AND OTHER INCOME

	Three months ended March 31, 2021	Three months ended April 30, 2020
Management salaries and fees (note 11)	$ 27,683	$ 60,239
Director fees (note 11)	36,000	30,300
Share-based payments	-	2,128
Professional fees	255,349	58,366
Other administrative expenses	63,502	40,312
Foreign exchange loss (gain)	19,441	(102,172)
Total general and administrative expenses	401,975	89,173
Other income	(63,685)	(37,372)
Total general and administrative expenses and other income	**$ 338,290**	**$ 51,801**

10. FINANCE COSTS

	Three months ended March 31, 2021	Three months ended April 30, 2020
Interest expense on debt (note 6)	$ 237,742	$ -
Amortization of debt issuance costs (note 6)	4,918	
Unrealized gain on fair value change on mortgage payable (note 6)	525,289	-
Unrealized loss on interest rate swap (note 6)	(525,289)	-
Total finance costs	**$ 242,662**	**$ -**

(Expressed in Canadian Dollars)

11. 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.

	Three months ended March 31, 2021	Three months ended April 30, 2020
Total for all senior management		
Salaries, fees, and short-term benefits	$ 23,100	$ 62,400
Share-based payments	-	2,128
	23,100	64,528
Total for all directors		
Fees	36,000	30,300
Total	**$ 59,100**	**$ 94,828**

Transactions with related parties

Included in accounts payable and accrued liabilities as of March 31, 2021 is $36,000 for director fees. Included in accounts payable and accrued liabilities as of December 31, 2020 is $55,000 due to former officers.

Concurrent with completion of the investment properties acquisitions on December 29, 2020, the Company entered into a property management agreement with Access Results Management Services Inc. ("ARMS"). ARMS and the Company are related by having common members on its Board of Directors. The management agreement has, subject to certain conditions, a five-year term. The Company also receives invoices from ARMS and its related companies for construction, maintenance and other services related to the day-to-day property management. During the three months ended March 31, 2021, the Company incurred total expenses of $107,946 from ARMS and its related companies, and $52,492 is included in accounts payable and accrued liabilities as of March 31, 2021.

The Company's purchased an industrial property on December 29, 2020, which had an existing lease with a private company controlled by two directors of the Company. The Company earned $24,962 in rental income from this lease during the three months ended March 31, 2021.

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

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

Up to December 29, 2020, the Company operated in one business segment for the acquisition and asset management of income producing parking facilities across the United States and Canada.

With investment property acquisitions on December 29, 2020, the Company operates in two reportable business segments as at March 31, 2021:

- Investment Properties – involves the acquisition and management of income producing industrial properties across key markets in Canada, with a focus on the Greater Toronto Area and Ottawa.
- Parking Assets – involves the acquisition and management of income producing parking facilities across the United States.

Each segment is a component of the Company for which separate discrete financial information is available by the chief decision makers of the Company. The Company evaluates performance and allocates resources based on earnings before interest, taxes, depreciation, amortization, and stock-based compensation. Corporate costs are not allocated to the segments and are shown separately.

For the three months ended March 31, 2021	Investment Properties	Parking Assets	Corporate	Total
Investment properties revenue	$ 594,696	$ -	$ -	$ 594,696
Investment properties expenses	(232,423)	-	-	(232,423)
Net rental income	362,273	-	-	362,273
Operating expenses				
Share of loss from equity-accounted investees	-	315,855	-	315,855
General and administrative expenses and other income	-	(31,334)	369,624	338,290
Transaction costs and land transfer taxes	1,103,901	-	-	1,103,901
Depreciation	187,480	-	-	187,480
Finance costs	242,662	-	-	242,662
	1,534,043	284,521	369,624	2,188,188
Loss before tax	**(1,171,770)**	**(284,521)**	**(369,624)**	**(1,825,915)**
Income tax expense	-	-	(317)	(317)
NET LOSS	$ **(1,171,770)**	**$ (284,521)**	$ **(369,941)**	$ **(1,826,232)**
Additions:				
Investment properties	$ 40,750,000	$ -	$ -	$ 40,750,000

All activities for the three months ended April 30, 2020 relate to the operation of the parking assets.

(Expressed in Canadian Dollars)

13. SUPPLEMENTAL INFORMATION WITH RESPECT TO CASH FLOWS

	For the three months ended March 31, 2021	For the three months ended April 30, 2020
Cash paid for taxes:	$ 317	$ 52,995
Non-cash transactions:		
Asset Acquisitions		
Acquisition of investment properties (note 3)	(4,000,500)	-
Share capital issued for investment properties acquisition (note 8(a))	4,000,500	-
Amounts included in accounts payable and other liabilities		
Transaction costs for investment properties (note 3)	(115,545)	-
Share issuance costs (note 8(a))	54,560	-
Debt issuance costs (note 6)	(61,087)	-

14. 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, and accounts payable and accrued liabilities, accrued interest, and tenant deposits approximate carrying value, which is the amount recorded on the condensed consolidated interim statements of financial position.

(Expressed in Canadian Dollars)

14. FAIR VALUE MEASUREMENTS (continued)

The following table provides a summary of the remaining fair value measurements of the Company:

	Fair Value Hierarchy	Carrying Amount	Fair Value
Financial assets measured at fair value:			
Cash	Level 1	$ 82,421,631	$ 82,421,631
Non-financial assets for which fair value is disclosed:			
Investment properties – cost model	Level 3	76,812,520	77,000,000
Financial liabilities measured at fair value:			
Debt at FVTPL - mortgages	Level 2	9,075,999	9,075,999
Interest rate swaps	Level 2	98,902	98,902
Financial liabilities for which fair value is disclosed:			
Debt at amortized cost - mortgages	Level 3	8,361,461	8,377,843

Valuation processes for investment property

The fair value of an individual investment property was prepared by preparing:

- a valuation using the income capitalization approach, which is calculated with a stabilized net operating income and capitalized at the requisite overall capitalization rate; and
- the discounted cash flow approach, which discounts the expected future cash flows, including a terminal value, based on the application of a terminal capitalization rate to the assumed final year's estimated cash flows.

Updating the fair value for changes in the property cash flow, physical condition and changes in market conditions includes key assumptions and estimates for capitalization rates, normalized property operating revenues less property operating expense, discount rates, terminal rates, market rents, leasing costs and vacancy rates.

The Company is responsible for determining the fair value on a quarterly basis, and 84% of the fair value for investment property portfolio is supported by valuations performed within the last year by qualified external valuations professionals who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The Company's management reviews the major inputs in the valuations performed by the independent valuators for financial reporting purposes and updated the major inputs in preparing an updated valuation as of March 31, 2021.

The significant and unobservable level 3 valuations metrics used in the methods at March 31, 2021 are set out in the table below:

	Range (%)	Weighted Average (%)
Income capitalization method		
Stabilized capitalization rate	4.63-5.81	5.20
Discounted cash flow method		
Terminal capitalization rate	4.75-5.81	5.20
Discount rate	5.25-6.00	5.64

(Expressed in Canadian Dollars)

14. FAIR VALUE MEASUREMENTS (continued)

Sensitivities on assumptions:

Generally, under the income capitalization method, an increase in stabilized net operating income will result in an increase in the fair value of an investment property, and an increase in the stabilized capitalization rate will result in a decrease to the fair value of the investment property.

Generally, under the discounted cash flow method, an increase in discount rate and terminal capitalization rate will result in a decrease to the fair value of an investment property.

Changes in the capitalization rates and discount rates would result in a change to the fair value of the investment properties as set out below as at March 31, 2021:

		(Decrease)/Increase
Income capitalization method		
Weighted average stabilized capitalization rate		
25-basis point increase	$	(3,484,746)
25-basis point decrease		4,172,367
Discounted cash flow method		
Weighted average terminal capitalization rate:		
25-basis point increase		(2,114,321)
25-basis point decrease		2,709,131
Weighted average discount rate:		
25-basis point increase		(1,321,358)
25-basis point decrease		1,715,575

Valuation processes for financial liabilities measured at FVTPL

The fair value of the mortgages with interest rate swaps are held at FVTPL. For mortgages which contain swaps, as the interest rate on the facilities fluctuates with changes in market rates, debt and the swap work to offset any changes in effective interest rate, which effectively creates a fixed rate mortgage. The fair value of the mortgages is equivalent to (a) the fair value of the interest rate swap based on the present value of the estimated cash flows determined using observable yield curves and (b) the fair value of the underlying debt instrument. The Company computes the fair value analyzing both the debt and swap instrument together as one financial instrument.

Valuation processes for financial liabilities measured at amortized cost

The fair value of the fixed rate mortgages held at amortized cost are determined by discounting the expected cash flows each mortgage using market discount rates. The discount rates are determined using the Government of Canada benchmark bond yield for instruments of similar maturity adjusted for the Company's specific credit risk. In determining the adjustment for credit risk, the Company considers market conditions, the fair value of the investment properties that the mortgages are secured by and other indicators of the Company's creditworthiness. As a result, these measurements are classified as Level 3 in the fair value hierarchy.