



**PARKIT ENTERPRISE INC.**

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTH PERIODS ENDED APRIL 30, 2018  
EXPRESSED IN CANADIAN DOLLARS  
(UNAUDITED)

## **Notice of Non-review of Interim Financial Statements**

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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 Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

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

<b>AS AT</b>	<b>April 30, 2018</b>	<b>October 31, 2017</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,958,094	\$ 2,200,195
Accounts receivable (note 3)	311,353	265,596
Prepaid expenses and deposits (note 11)	118,929	11,430
	<u>2,388,376</u>	<u>2,477,221</u>
<b>Long-term receivable</b> (note 4)	1,232,256	1,261,965
<b>Investment in associate</b> (note 5)	1,222,768	1,146,054
<b>Investment in joint venture</b> (note 6)	12,442,297	12,508,779
	<u>\$ 17,285,697</u>	<u>\$ 17,394,019</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,906	\$ 9,252
<b>Equity</b> (note 7)		
Share capital	22,807,373	22,807,373
Reserves	467,005	467,005
Deficit	(5,996,587)	(5,889,611)
	<u>17,277,791</u>	<u>17,384,767</u>
	<u>\$ 17,285,697</u>	<u>\$ 17,394,019</u>

Commitments and contingencies (notes 6 and 10)

Approved and authorized by the Board on June 26, 2018:

“Pesach Goldman” Director

“Bryan Wallner” 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 INCOME**  
(Expressed in Canadian Dollars)  
(Unaudited)

<b>FOR THE</b>	<b>Three months ended April 30, 2018</b>	<b>Three months ended April 30, 2017</b>	<b>Six months ended April 30, 2018</b>	<b>Six months ended April 30, 2017</b>
Fee income	\$ 50,769	\$ 66,235	\$ 103,290	\$ 132,353
Share of profit from associate (note 5)	37,884	327,550	76,714	426,686
Share of profit from joint venture (note 6)	97,226	225,889	107,954	406,119
General and administrative (note 8)	(185,972)	(234,398)	(380,688)	(561,290)
	<b>(93)</b>	<b>385,276</b>	<b>(92,730)</b>	<b>403,868</b>
Foreign exchange gain (loss)	153,513	164,716	(16,372)	68,914
Finance income	2,324	833	3,085	1,636
Loss on disposal of equipment	-	(12,054)	-	(12,054)
<b>Income (loss) before tax</b>	<b>155,744</b>	<b>538,771</b>	<b>(106,017)</b>	<b>462,364</b>
Income tax expense	(959)	(1,008)	(959)	(35,538)
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>\$ 154,785</b>	<b>\$ 537,763</b>	<b>\$ (106,976)</b>	<b>\$ 426,826</b>
Earnings per share attributable to shareholders of the Company:				
Basic	\$ 0.00	\$ 0.02	\$ (0.00)	\$ 0.01
Diluted	\$ 0.00	\$ 0.02	\$ (0.00)	\$ 0.01
Weighted average number of common shares outstanding:				
Basic	32,310,796	32,245,723	32,310,796	32,245,723
Diluted	32,382,225	32,370,723	32,310,796	32,300,322

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)

<b>FOR THE SIX MONTH PERIOD ENDED APRIL 30</b>	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Net (loss) income for the period	\$ (106,976)	\$ 426,826
Items not affecting cash:		
Share of profit from associate	(76,714)	(426,686)
Share of profit from joint venture	(107,954)	(406,119)
Depreciation	-	2,500
Share-based payments	-	149,778
Unrealized foreign exchange	16,318	(69,927)
Loss on disposal of equipment	-	12,054
Changes in non-cash working capital items:		
Accounts receivable	(63,417)	(311,991)
Prepaid expenses and deposits	(107,499)	(15,637)
Accounts payable and accrued liabilities	(1,346)	(193,553)
Cash flows used in operating activities	(447,588)	(832,755)
<b>INVESTING ACTIVITIES</b>		
Long term receivable, net repayments	39,873	129,932
Distributions from associate	-	2,343,655
Investment in PAVe LLC joint venture	-	(2,006,504)
Distributions from PAVe LLC joint venture	174,436	520,233
Cash flows from investing activities	214,309	987,316
<b>Change in cash and cash equivalents during the period</b>	<b>(233,279)</b>	<b>154,561</b>
<b>Effect of exchange rate changes on cash</b>	<b>(8,822)</b>	<b>33,067</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>2,200,195</b>	<b>1,552,160</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 1,958,094</b>	<b>\$ 1,739,788</b>
<b>Cash and cash equivalents comprised of:</b>		
Cash	\$ 673,228	\$ 371,913
Cash equivalents	1,284,866	1,367,875
	<b>\$ 1,958,094</b>	<b>\$ 1,739,788</b>

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)

	<u>Share capital</u>		Reserves	Deficit	Total
	Number	Amount			
<b>Balance, October 31, 2016</b>	32,245,723	\$ 22,785,248	\$ 367,154	\$ (6,396,836)	\$ 16,755,566
Share-based payments	-	-	149,778	-	149,778
Net income for the period	-	-	-	426,826	426,826
<b>Balance, April 30, 2017</b>	32,245,723	22,785,248	516,932	(5,970,010)	17,332,170
Shares issued	65,073	22,125	-	-	22,125
Expiration of stock options	-	-	(49,927)	49,927	-
Net income for the period	-	-	-	30,472	30,472
<b>Balance, October 31, 2017</b>	32,310,796	\$ 22,807,373	\$ 467,005	\$ (5,889,611)	\$ 17,384,767
Net loss for the period	-	-	-	(106,976)	(106,976)
<b>Balance, April 30, 2018</b>	32,310,796	\$ 22,807,373	\$ 467,005	\$ (5,996,587)	\$ 17,277,791

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

**PARKIT ENTERPRISE INC.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

April 30, 2018

**1. NATURE OF OPERATIONS**

Parkit Enterprise Inc. (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, its registered and records office is 2900 – 595 Burrard Street, Vancouver, British Columbia V7X 1J5. The Company, through its subsidiary Greenswitch America, Inc. holds investments in parking real estate in the United States of America.

**2. SIGNIFICANT ACCOUNTING POLICIES***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 annual consolidated financial statement, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended October 31, 2017, which were prepared in accordance with IFRS as issued by the IASB.

**3. ACCOUNTS RECEIVABLE**

	<b>April 30, 2018</b>	<b>October 31, 2017</b>
Current portion of advances to PRE (note 4)	\$ 187,357	\$ 205,257
Management fees	102,175	38,421
Taxes receivable	21,821	21,918
<b>Total</b>	<b>\$ 311,353</b>	<b>\$ 265,596</b>

**4. LONG TERM RECEIVABLE**

	<b>April 30, 2018</b>	<b>October 31, 2017</b>
Advances to PRE	\$ 1,419,613	\$ 1,467,222
Less current portion (note 3)	(187,357)	(205,257)
<b>Long term receivable</b>	<b>\$ 1,232,256</b>	<b>\$ 1,261,965</b>

As at April 30, 2018, the Company has advanced \$1,419,613 (US\$1,105,962) 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, of which \$187,357 (US\$145,962) is to be repaid from the assignment of certain distributions due to PRE and the balance of \$1,232,256 (US\$960,000) is to be repaid upon disposition of certain investments or parking assets.

During the six months ended April 30, 2018, the Company was repaid \$39,873 (US\$32,037). At April 30, 2018, the Company estimated the current portion receivable to be \$187,357 (US\$145,962).

**PARKIT ENTERPRISE INC.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

April 30, 2018

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**5. INVESTMENT IN ASSOCIATE**

*Green Park Denver*

The only significant asset retained in the associate is an earnings-based contingent receivable from OP Holdings. The associate has no continuing operations and is being maintained to receive the earn-out payments. 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.

*Carrying value of associate*

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

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	<b>Six months ended April 30, 2018</b>
Balance – October 31, 2017	\$ 1,146,054
Share of profits in associate	76,714
<b>Balance – April 30, 2018</b>	<b>\$ 1,222,768</b>

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**6. INVESTMENT IN JOINT VENTURE**

**PAVe LLC**

In April 2015, the Company's subsidiary, Greenswitch America and PRE jointly created separate legal entities, Parking Acquisition Ventures, LLC ("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 hold 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% (October 31, 2017 – 82.83%) economic allocation of distributions from OP Holdings to PAVe LLC. PAVe LLC is a 29.45% (October 31, 2017 – 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 six U.S. based parking facilities, including Canopy previously held by Green Park Denver (note 5).

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



**PARKIT ENTERPRISE INC.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

April 30, 2018

**6. INVESTMENT IN JOINT VENTURE (continued)**

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

	<b>Six months ended April 30, 2018</b>
Balance – October 31, 2017	\$ 12,508,779
Distributions	(174,436)
Share of profits in joint venture	107,954
<b>Balance – April 30, 2018</b>	<b>\$ 12,442,297</b>

**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. 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, 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 LLC 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.

**Summarized financial information of joint venture**

The functional currency of the joint venture is the United States dollar.

The assets and liabilities of the joint venture translated using the period end foreign exchange rates are summarized as follows:

	<b>April 30, 2018</b>	<b>October 31, 2017</b>
Cash and cash equivalents	\$ 99,937	\$ 78,213
Other current assets	13,141	5,372
Parking facility	6,905,614	7,053,299
Goodwill	2,736,737	2,760,257
Interest in associate	14,480,025	14,497,933
Subtotal - assets	\$ 24,235,454	\$ 24,395,074
Accounts payable	574,202	200,380
Borrowings	7,761,635	8,051,023
Subtotal - liabilities	\$ 8,335,837	\$ 8,251,403
<b>Net assets</b>	<b>\$ 15,899,617</b>	<b>\$ 16,143,671</b>
Interests in net assets	80%	80%
<b>Net assets attributable to the Company</b>	<b>\$ 12,731,810</b>	<b>\$ 12,859,843</b>
<b>Investment in joint venture – carrying value at historical cost</b>	<b>\$ 12,442,297</b>	<b>\$ 12,508,779</b>

**PARKIT ENTERPRISE INC.**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

April 30, 2018

**6. INVESTMENT IN JOINT VENTURE (continued)**

The operations of the joint venture for the three and six months ended April 30, 2018 and 2017 translated using average exchange rates for the period are summarized as follows:

	Three months ended April 30, 2018	Three months ended April 30, 2017	Six months ended April 30, 2018	Six months ended April 30, 2017
Property revenue	\$ 646,486	\$ 683,287	\$ 1,255,741	\$ 1,312,821
Property expenses	(542,839)	(597,613)	(1,180,550)	(1,218,966)
Net property income	103,647	85,674	75,191	93,855
Depreciation Expense	(63,398)	(66,208)	(126,475)	(132,414)
Mortgage interest expense	(81,415)	(73,036)	(165,285)	(145,022)
Loss – property operations	(41,166)	(53,570)	(216,569)	(183,581)
Profit from associate	141,819	284,466	270,135	570,053
General and administrative	(40)	(17)	(9,510)	(2,626)
<b>Profit</b>	<b>\$ 100,613</b>	<b>\$ 230,879</b>	<b>\$ 44,056</b>	<b>\$ 383,846</b>
Company share of profit <sup>(1)</sup>	97%	98%	245%	106%
<b>Share of profit from joint venture</b>	<b>\$ 97,226</b>	<b>\$ 225,889</b>	<b>\$ 107,954</b>	<b>\$ 406,119</b>

(1) The Company is entitled to profits (losses) on the investments included in the joint venture ranging from 50% to 88.8%.

**7. EQUITY**

a) **Authorized:** Unlimited common shares, without par value.

**b) Stock Options**

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at October 31, 2017	1,745,000	\$ 0.44
Grants/expirations/cancellations	-	-
<b>Balance as at April 30, 2018</b>	<b>1,745,000</b>	<b>\$ 0.44</b>

As at April 30, 2018, the following stock options were outstanding and exercisable:

Exercise Price	Number of options outstanding and exercisable	Weighted average years to expiry
\$0.30 to \$0.50	1,745,000	1.88

**PARKIT ENTERPRISE INC.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

April 30, 2018

**8. GENERAL AND ADMINISTRATIVE EXPENSES**

	Three months ended April 30, 2018	Three months ended April 30, 2017	Six months ended April 30, 2018	Six months ended April 30, 2017
Management salaries and fees (note 9)	\$ 73,801	\$ 67,125	\$ 146,554	\$ 122,449
Director fees (note 9)	24,600	18,256	49,200	36,942
Share-based payments (note 9)	-	-	-	149,778
Professional fees (note 9)	51,947	96,794	106,323	155,514
Other administrative expenses	35,624	52,223	78,611	96,607
<b>Total</b>	<b>\$ 185,972</b>	<b>\$ 234,398</b>	<b>\$ 380,688</b>	<b>\$ 561,290</b>

**9. 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.

	Six months ended April 30, 2018	Six months ended April 30, 2017
Total for all senior management		
Salaries, fees, and short-term benefits	\$ 153,600	\$ 134,850
Share-based payments	-	109,837
	<b>\$ 153,600</b>	<b>\$ 244,687</b>
Total for all directors		
Short-term benefits	\$ 49,200	\$ 38,650
Share-based payments	-	29,956
	<b>\$ 49,200</b>	<b>\$ 68,606</b>
<b>Total</b>	<b>\$ 202,800</b>	<b>\$ 313,293</b>

Included in accounts payable and accrued liabilities as of April 30, 2018 is \$2,366 in amounts due to related parties for expense reimbursements.

**10. COMMITMENTS AND CONTINGENCIES**

At April 30, 2018, the Company has total future aggregate minimum office lease payments of \$37,779 over the remaining lease term, which expires February 28, 2019.

On August 12, 2016, the Company terminated the employment of its former Chief Executive Officer without notice and without payment of any compensation in lieu of notice. On December 6, 2016, counsel for the former Chief Executive Officer made a demand for compensation, which was rejected by the Company. The Company believed, and it continues to believe, that it has no liability to have given any notice or to pay any severance to the former Chief Executive Officer. The Company is unable to predict the outcome or potential liability, if any, arising from the termination of the former Chief Executive Officer at this time and no amount has been accrued in the financial statements.

**PARKIT ENTERPRISE INC.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

April 30, 2018

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**11. SUBSEQUENT EVENTS**

During the quarter ended April 30, 2018, the Company advanced \$100,000 as a deposit while completing the due diligence on a potential asset purchase. A further deposit of \$100,000 was advanced in May 2018 in order to secure an extension to the contract. The Company did not proceed with the acquisition and the full \$200,000 deposit, with interest, was returned to the Company in June 2018.