PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2018

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This Management's Discussion and Analysis ("MD&A") is prepared as of September 27, 2018 and outlines the business strategy, risk profile, business outlook and analysis of financial performance and financial position of Parkit Enterprise, Inc. ("Parkit," or "the Company") for the three and nine months ended July 31, 2018. This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes for the three and nine months ended July 31, 2018 (the "Interim Financial Statements").

This MD&A is based on financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are in Canadian dollars ("CAD"), unless otherwise stated.

SECTION 1

FORWARD LOOKING STATEMENTS

Certain statements contained in this Management Discussion & Analysis ("MD&A") constitute forward-looking statements. These statements reflect, among other things, management's expectations regarding the Company and the Company's business. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or event to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements are current only as of the date of the MD&A. The Company disclaims any obligation to publicly update or revise such statements to reflect any change in expectations, events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those in the forward looking statements, except as required by National Instrument 51-102.

In particular, this MD&A contains forward-looking statements pertaining to the following:

- Establishment and expansion of business segments
- Capital and general expenditures;
- Projections of market prices and costs;
- Expectations regarding the ability to raise capital; and
- Treatment under governmental regulatory regimes.

Actual results could differ materially from those anticipated in this MD&A as a result of the risk factors set forth below and elsewhere in the MD&A:

- Liabilities inherent in our operations;
- Uncertainties associated with estimated market demand and sector activity levels;
- Competition for, among other things, capital, acquisitions and skilled personnel;
- Fluctuations in foreign exchange or interest rates and stock market volatility; and
- The other factors discussed under "Risk Factors".

These factors should not be construed as exhaustive.

NON-IFRS MEASURES

Certain terms used in the MD&A such as “Earnings Before Interest, Tax, Depreciation and Amortization” (“EBITDA”), “Net Operating Income” (“NOI”), “Funds From Operations (“FFO”), “Yield”, “Occupancy”, “Gross Book Value”, “Appraised Value”, “ Capitalisation (Cap) Rates”, “Investor Rate of Return” and any related per Unit amounts used by management to measure, compare and explain the operating results and financial performance of the Company are not recognized terms under IFRS, and therefore should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS. Management believes that these terms are relevant measures in comparing the Company’s performance to industry data, and the Company’s ability to earn cash from, and invest cash in parking real estate. These terms are defined in this MD&A. Such terms to not have standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other publically traded companies.

EBITDA is a non-IFRS measure commonly used as a measurement tool in Canadian businesses. For the purposes of this MD&A, EBITDA is calculated as earnings determined under IFRS less amounts included for interest, taxes, depreciation and amortization included in the IFRS financial statements.

NOI is a non-IFRS measure commonly used as a measurement tool in real estate businesses. For the purposes of this MD&A, NOI is calculated as earnings determined under IFRS less amounts included for corporate expenses, other expenses, interest, taxes, depreciation and amortization included in the IFRS financial statements.

SECTION 2

EXECUTIVE SUMMARY

A summary of the financial and operational highlights follows:

	Three months ended July 31, 2018	Three months ended July 31, 2017	Nine months ended July 31, 2018	Nine months ended July 31, 2017
Summary of Company’s Operations				
Net income (loss)	$ **427,678**	$ **(5,244)**	$ **320,702**	$ **421,582**
Earnings per share – basic and diluted	$ **0.01**	$ **(0.00)**	$ **0.01**	$ **0.01**

Summary of Company’s Financial Position	As at July 31, 2018	As at April 30, 2018	As At October 31, 2017
Cash	$ **1,841,228**	$ **1,958,094**	$ **2,200,195**
Working Capital	$ **2,019,904**	$ **2,380,470**	$ **2,467,969**
Net assets	$ **17,725,469**	$ **17,277,791**	$ **17,384,767**

- Book value increased $447,678 for the quarter from $17,277,791 to $17,725,469, and represents approximately $0.55 per share.
- Cash represents approximately $0.06 per share.

Joint Venture Update

- The Company's participation in its joint venture generated a profit of $675,832 for Q3 2018 compared to $97,226 profit for Q2 2018, and $385,090 profit to the same period in prior year.
  - Revenue increased approximately 19% compared to the prior quarter, and 5% to the same period in prior year.
  - The Company announced that one of the single purpose entities held by OP Holdings JV LLC (the "Joint Venture") has sold Terra Park, its parking facility located in Jacksonville, Florida. Terra Park was bought by the Joint Venture in 2015 for US$6.4 million (consisting of an equity investment of US $2.4 million), and was sold for US $6.83 million plus an additional sum of US $750,000 paid in equal monthly installments over one year. When including the income received from the property over the period the investment was held, the sale represents an estimated levered IRR of approximately 24% to the Joint Venture.
  - The Company's 50% interest in the Fly-A-Way Parking facility in Nashville recorded a profit of $52,283 for the quarter reducing the nine month year to date loss to $55,721. Cost control and marketing initiatives were implemented earlier in the year to restore profit growth. The Company remains confident in the long term potential of this asset.
  - The Company has received cash distributions from PAVe LLC of $174,436 for the nine months ended July 31, 2018 as compared with $557,957 compared against the prior year comparable period. Cash distributions received from PAVe LLC were lower for the nine months ended July 31, 2018 when compared to the prior year period due primarily to the refinancing that of the OP Holdings portfolio in 2017. In October 2017, OP Holdings successfully finalized the refinancing of the debt portfolio resulting in an increase in the debt facility. Given the increase in debt, cash distributions from OP Holdings have been lower in order to comply with the new debt service coverage ratios imposed by the new debt. While cash flows will continue to be lower in the near future, the refinancing contributed substantially towards fulfilling the 15% IRR hurdle paid to the majority member (Och Ziff Real Estate) and as such was very favorable for Propark.

Subsequent to July 31, 2018, Propark advised that there is a purchase and sale contract for another property in the joint venture for a purchase price estimated to be approximately US$36 million. The original cost of the property to the joint venture was approximately US$19 million. The due diligence period per the original purchase and sale contract has expired, and the Company is awaiting confirmation of final closing.

Any future distributions associated with this property disposition will be distributed to members of OP Holdings as detailed in the joint venture agreement. The joint venture agreement details a multi-staged priority payment waterfall for the distribution to members on any Initial Property Capital Proceeds. The Company will be entitled to receive future distributions on any Initial Property Capital Proceeds as the various requirements of the distribution waterfall are achieved. Distributions from this property disposition will be applied to first stage of the waterfall, which is allocated 100% to the Majority Member (Och-Ziff Real Estate) until the first IRR hurdle of 15% is met. The Company will start receiving 100% of the distributions from property dispositions and debt re-financings in the joint venture in the second stage of the waterfall after the 15% IRR hurdle is met. Thereafter, distributions are allocated among the members as defined in each subsequent stage of the waterfall. Parkit views this sale as very positive as it will contribute towards the company receiving larger cash distributions from the Joint Venture more expeditiously.

Acquisitions Updates

- On July 6, 2018, the Company announced that it had purchased the operating assets of Smart Parking Solutions Canada Inc.("Smartpark") and employed its principals, Steve Strauss and Avi Minkowitz, all effective July 1, 2018. Smartpark has been engaged in the parking management business and this strategic acquisition both expands Parkit's footprint and provides additional expertise to source and acquire parking assets. The purchase includes 5 parking management agreements in the Greater Toronto Area, as well as 10 permit management agreements with municipal and institutional clients in the United States including the City of Aspen CO, Arlington County VA and the Durham NH Police Department. While continuing to serve their existing clients, Mr. Strauss and Mr,. Minkowitz will focus on working with Parkit's Board and management to source and acquire new parking related opportunities.

Parkit paid $75,000 in cash for the Smartpark assets.

Pursuant to the terms of employment agreements, the Company:

- appointed Mr. Strauss and Mr. Minkowitz to the offices of Vice President of the Company.
- issued a total of 66,666 common shares on July 20, 2018 as a signing bonus having a deemed value of $20,000. The common shares issued are subject to a transfer restriction prohibiting transfer thereto at any time prior to July 1, 2021;
- granted a total of 100,000 incentive stock options on August 22, 2018, which vest in four equal quarterly installments following the grant date an exercise price of $0.29 per share. Any shares acquired upon the exercise of the options are subject to a hold period expiring four months and one day following the date of grant;
- will grant a further 100,000 incentive stock options on or about the first anniversary of July 1, 2019.

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

- The Company remains focused on pursuing acquisitions and has conducted due diligence on potential opportunities, particularly in Canada that include parking assets and services. With the engagement of Mr. Strauss and Mr. Minkowitz to focus on deal origination, the Company has been actively seeking parking based real estate acquisitions and has seen deal flow increase dramatically. The board of directors is excited by the new deal flow and are looking forward to increasing shareholder value through a targeted acquisition strategy.

Corporate and personnel updates

- On May 11, 2018, Leonite Capital LLC announced that it had filed an early warning report in respect of (i) its acquisition of 619,660 common shares of the Company and (ii) the entering into of voting support agreements with certain shareholders holding an aggregate of 4,250,400 common shares. Pursuant to the terms of the voting support agreements the shareholders have agreed to vote in favour of the board nominees that may be proposed by the Acquiror at the next meeting of shareholders of the Issuer. Following the transactions described herein Leonite, acting jointly, has ownership of 5,815,987 common shares of the Company, representing approximately 18% of the issued and outstanding shares of the Company. When the 5,815,987 common shares is combined with the 4,250,400 common shares held by the shareholders who have entered into voting support agreements the Acquiror's holdings together with joint actors is 10,808,687 common shares representing approximately 33.45% of the issued and outstanding common shares of the Company.

- On May 31, 2018, the Company announced the retirement of Joel Dumaresq and David Mullen effective May 29, 2018 in order to create vacancies for the appointment of two persons nominated by a group of the Company's shareholders led by Leonite Capital. On May 30, 2018, the Board appointed Avi Geller and David Delaney as directors of the Company.
- On June 7, 2018, the Company announced that it has increased the size of its board of directors from five to six and that it has appointed Elie Norowitz to fill the additional seat. The Company also announced that Brad Dunkley had agreed to serve as Chairman of the Board, replacing Joel Dumaresq, who recently resigned.
- The Company held its Annual General and Special Meeting on August 15, 2018, and all of the motions proposed in the Notice of Annual General and Special Meeting dated July 12, 2018, which was filed on SEDAR together

with Management's Information Circular on July 18, 2018, were approved by the shareholders. The newly constituted board of directors, which includes two of the Company's largest shareholders, consists of Brad Miller, Elie Norowitz, Brad Dunkley, David Delaney and Avi Geller. Mr. Delaney has been elected as Chairman of the board.

- On August 20, 2018, the Company announced that Bryan Wallner, Parkit's CEO has tendered his resignation, effective September 30, 2018. Mr. Wallner has agreed to stay on through September 30, 2018 in order to assist the board with a smooth transition to new senior management. Effective September 30, 2018, Mr. Geller and Mr.Delaney will assume executive director roles at Parkit on an interim basis.
- 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. In August 2018, believing it to be in its best interest, the Company entered into a confidential settlement agreement with the former Chief Executive Officer as well as entering into a six month consulting contract to assist the Company with deal sourcing. The amount of the settlement agreement is not material and has been accrued in the financial statements as of July 31, 2018.

BUSINESS OVERVIEW

Parkit Enterprise Inc. is an alternative real estate investment firm engaged in the acquisition, optimization, and asset management of income-producing parking facilities across the United States and Canada. As asset manager and investor, the Company has multiple sources of revenue (management fees, acquisition fees, and earnings in equity). Parkit will aggregate a large portfolio of assets, the market value of which will benefit from yield improvement and scale premium. Upon disposition, Parkit will realize capital gains and incentive distributions.

As a listed asset manager and investor, the combination of income streams and gains in intrinsic value (unrealized capital gains) provide Parkit shareholders a rare opportunity for leveraged returns alongside institutional private equity.

The Company's primary asset and source of revenue is an effective 24.39% equity interest in OP Holdings JV LLC ("OP Holdings," or "the joint venture"). On April 22, 2015, the Company entered into a joint arrangement with Parking Real Estate, LLC ("PRE") and Och-Ziff Real Estate to form OP Holdings JV, LLC ("OP Holdings") (the "Transaction"). Upon closing the Transaction, OP Holdings acquired six assets, including two in which Parkit held equity, Expresso Airport Parking ("Expresso") and Canopy Airport Parking ("Canopy").The majority member of OP Holdings is Och-Ziff Real Estate ("Och-Ziff"), a division of an institutional asset manager.

As part of the Transaction, the Company's subsidiary, Greenswitch America and PRE jointly created separate legal entities, Parking Acquisition Ventures, LLC ("PAVe LLC") and PAVe Admin, LLC to manage and oversee the parking assets of OP Holdings as an administrator. The Company has an 82.83% economic interest in PAVe LLC, which is a 29.45% equity member of OP Holding. PAVe Admin is an entity created for legal purposes and hold no assets or liabilities.

In addition, the Company holds an investment in Fly-Away Airport Parking ("Fly-Away Parking"), servicing the Nashville International Airport, in which PAVe LLC acquired a 50% interest on October 30, 2015.

Parkit and its strategic partner, PRE, are responsible for the asset management activities of OP Holdings and Fly-Away Parking. PRE is comprised of senior executives at Propark America, Inc. ("Propark"), an established parking manager with a three-decade history of managing and developing parking facilities.

Parkit's shares trade on the TSX-Venture Exchange under the symbol PKT, and the OTCQX under the symbol PKTEF.

Additional information related to the Company is available on SEDAR at www.sedar.com.

STRATEGIC DIRECTION

Parkit's investment strategy is to maximize shareholder value through growing income streams, and increasing the intrinsic value of portfolio assets. Investments provide income growth through management fees, incentive fees and returns on invested equity. Targeted acquisitions will have current free cash flow, opportunities for yield enhancement and in certain circumstances opportunity for repositioning to strategic buyers. Combined, these factors increase the Company's intrinsic value significantly over time. While Parkit's assets are not marked-to-market, and gains in intrinsic value are not recognized in the Company's financial statements, this value is ultimately monetized on disposition.

The Company believes that a geographically diversified parking real estate portfolio possesses excellent potential to generate attractive risk-adjusted returns. On a macro level, both the improving fundamentals of the US economy and the continued strength of the US dollar should provide positive long-term benefits for shareholder value.

Parkit's primary investment is in a joint venture, OP Holdings, alongside with Och-Ziff Real Estate and Parking Real Estate LLC.

As its initial contribution towards the joint venture, Parkit divested substantially all of its equity in Canopy Airport Parking, Denver ("Canopy") and Expresso Airport Parking, Oakland, into OP Holdings. Concurrently, as part of a larger acquisition strategy, the joint venture invested in four additional assets, for a total asset value of $82.6 million, assuming the full repayment of all associated conditional earn-outs.

Since acquisition, the yield on this portfolio has decreased slightly by 0.5%, which has been adversely impacted by the recent performance of Canopy, effected by major ongoing road works that started in 2016 and continued up to December 2017. The completion of the roadwork construction should lead to an increase in car count numbers and revenue improvements in upcoming quarters. However, the average effective daily rate has also eroded as a result of aggregators, discounting and coupons being more prevalent over the past three years. Strategies have been put in place to incentivize parkers displaced during construction to return to Canopy and recruit first-time users to the facility. In addition to the underlying growth in net operating income, the Company believes that capitalization rates have declined since the formation of the joint venture. The Company remains confident in the long term potential of this asset, a position reinforced by an updated third party appraisals completed in July 2017 as part of the OP Holdings portfolio debt refinancing completed in October 2017.

As with Fly-Away Parking, Parkit will also acquire assets independent of OP Holdings, either outright or jointly, with the objective of incubating or optimizing assets for sale into the joint venture or elsewhere.

The Company continues to focus on new acquisitions. The Company recently expanded its evaluation of new investment opportunities to include parking assets and services, as well as opportunities that function and have similar dynamics to parking.

With the engagement of two full-time vice-presidents in July 2018 to focus on deal origination, deal flow has increased and management is hopeful that these efforts will lead to the completion of one or more acquisitions.

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

SECTION 3

SUMMARY OF OPERATIONS

A summary of the results of operations for the three and nine month periods ended July 31, 2018 and 2017 follows:

	Three months ended July 31, 2018	Three months ended July 31, 2017	Nine months ended July 31, 2018	Nine months ended July 31, 2017
Fee income	$ 49,466	$ 48,281	$ 152,756	$ 180,634
Share of profit from associate	40,036	39,246	116,750	465,932
Share of profit from joint ventures	675,832	385,090	783,786	791,209
General and administrative expenses	(385,047)	(160,361)	(765,735)	(721,651)
Income (loss) from operations	380,287	312,256	287,557	716,124
Foreign exchange income (loss)	46,457	(318,287)	30,085	(249,373)
Finance income	934	787	4,019	2,423
Loss on disposal of equipment	-	-	-	(12,054)
Income (loss) before tax	427,678	(5,244)	321,661	457,120
Income tax expense	-	-	(959)	(35,538)
Net income (loss) for the period	$ 427,678	$ (5,244)	$ 320,702	$ 421,582

<u>Discussion of results for the three-month period ended July 31, 2018</u>

For the three-month period ended July 31, 2018 ("Q3 2018"), the Company reported a net income of $427,678 (Q3 2017 – loss of $5,244). The more significant items are discussed below.

Fee income

The Company receives service fees as the asset manager of OP Holdings. In Q3 2018, the Company earned fees of $49,466 (Q3 2017 – $48,281). The fee is payable in USD, and in USD the fee recognized in Q3 2018 reflects a small decrease compared to Q3 2017. 2018 reflects (1) the second and final re-set of the asset management fees to a lower rate effective on the two year anniversary in April 2017 of the OP Holdings transaction, and (2) the reduction in the value of the assets under management after the sale of the Terra Park property on June 29, 2018. The increase of C$1,185 of Q3 2018 over Q3 2017 reflects changes in the foreign exchange rates in translating the USD activity into CAD in the respective periods.

Share of profit from associate

The Company's share of profit from associate represents its equity participation of income in Green Park Denver whose only significant asset is an earnings-based contingent receivable from OP Holdings. The associate recognizes interest on the discounted receivable calculated using the effective interest method, which includes the accretion of the discounted value over time as well as the reversal of any impairment for achievement risk. The second tranche of the consideration receivable of $2,343,655 was earned and paid in 2017 upon achievement of maximum performance targets as of April 22, 2017. The third and final tranche of the consideration receivable is payable upon disposition of certain assets in OP Holdings. The accretion recognized during Q3 2018 is comparable to Q3 2017, both reflecting the interest accretion on the third and final tranche of the contingent receivable.

Share of profit from joint ventures

The Company recorded $675,832 (Q3 2017 - $385,090) in book profits from joint ventures, which reflects the Company's share of profits from PAVe LLC (OP Holdings and Fly-Away Parking).

The Company's participation in OP Holdings generated a profit $623,549 in Q3 2018 (Q3 2017 - $350,793), an increase of $272,756.

- OP Holdings portfolio revenues in Q3 2018 increased approximately 5% over Q3 2017.
- OP Holdings recorded a gain from the sale of one of its smaller properties, Terra Park, in Q3 2018.
- Interest, depreciation and amortization expense in OP Holdings increased by approximately 20% against the prior year period reflecting the 21% increase in the debt held from the portfolio refinancing completed in October, 2017.

The Company's participation in Fly-Away Parking generated a profit of $52,283 in Q3 2018 (Q3 2017 - $39,886), an increase of $12,397. The profit this quarter offsets prior losses bringing the nine month to date loss to $55,721 (9M 2017 – $51,897). Management has been concerned by the underperformance at Fly-Away Parking and is monitoring developments. Earlier in the year, PRE advised the Company of recent cost control and marketing initiatives being implemented to help restore profit growth at Fly-Away Parking. In addition, Propark's regional VP has spent more time at the Nashville property during Q3 2018.

Q3 2017 also includes $5,589 allocation of administrative expenses of the joint venture.

All revenues, operating expenses and share of profit from joint venture are in US dollars and translated to CAD dollars for the financial statements. Thus quarter-on-quarter comparisons are subject to variation in foreign exchange fluctuation. See the commentary in "Investments" later in this section 3 for commentary of the results of the joint venture in USD.

General and administrative expenses

	Three months ended July 31, 2018	Three months ended July 31, 2017
Management salaries and fees	$ 244,426	$ 75,410
Director fees	28,200	24,308
Share-based payments	20,000	-
Professional fees	62,475	32,395
Other administrative expenses	29,946	28,248
Total	$ 385,047	$ 160,361

Management, salaries and fees increased $169,016 reflecting an increase in personnel and the payment of severance in Q3 2018.

Director fees increased $3,892 reflecting an increase in the number of directors. On June 7, 2018, the Company announced that it has increased the size of its board of directors from five to six. The board size was later re-set back to five members pursuant to the results of its annual general meeting on August 15, 2018.

Share-based payment of $20,000 in Q3 2018 reflects the issue of common shares as a signing bonus for the engagement of two new vice-presidents in July 2018.

Professional fees increased $30,080 reflecting an increase in due diligence activities undertaken in Q3 2018 as well as increase in legal fees for general corporate matters.

Foreign exchange

In Q3 2018, the Company recorded a foreign exchange gain of $46,457 (Q3 2017 – loss of $318,287) which reflects the impact of the weakening (Q3 2017 – appreciation) of the C$ against the US$ during the quarter on the translation of the Company's US$ cash balances and US$ receivables.

Discussion of results for the nine-month period ended July 31, 2018

For the nine-month period ended July 31, 2018 ("9M 2018"), the Company reported a net income of $320,702 (9M 2017 – net income of $421,582). The more significant items are discussed below

Fee income

The $27,878 reduction in fee income in 9M 2018 reflects (1) the second and final re-set of the asset management fees to a lower rate effective on the two year anniversary in April 2017 of the OP Holdings transaction, and (2) the reduction in the value of the assets under management after the sale of the Terra Park property on June 29, 2018.

Share of profit from associate

The $349,182 reduction of the accretion recognized in 9M 2018 compared to 9M 2017 reflects the reduction in the remaining consideration receivable balance. See "***Discussion of results for the three-month period ended July 31, 2018"*** for further details.

Share of profit from joint ventures

The Company recorded $783,786 (9M 2017 - $791,209) in book profits from joint ventures, a decrease of $7,423.

- The Company's participation in OP Holdings generated a profit of $847,360 in 9M 2018 (9M 2017 - $850,956), a decrease in income of $3,596.
- The Company's participation in Nashville generated a loss of $55,721 in 9M 2018 (9M 2017 – $51,897), an increase of loss of $3,824.
- The Company's share of the joint venture's corporate expenses was $7,853 in 9M 2018 (9M 2017 - $7,850).

General and administrative expenses

	Nine months ended July 31, 2018	Nine months ended July 31, 2017
Management salaries and fees	$ 390,980	$ 197,859
Director fees	77,400	61,250
Share-based payments	20,000	149,778
Professional fees	168,798	187,909
Other administrative expenses	108,557	124,855
Total	$ 765,735	$ 721,651

Management, salaries and fees increased $193,121 reflecting an increase in personnel and the payment of severance in 9M 2018.

Director fees increased $16,150 reflecting an increase in the number of directors. On May 25, 2017, the Company announced the appointment of Mr. Brad Dunkley to the Board as an independent director. On June 7, 2018, the Company announced that it has increased the size of its board of directors from five to six.

Share-based payment of $20,000 in 9M 2018 reflects the issue of common shares as a signing bonus for the engagement of two new vice-presidents in July 2018. 9M 2017 includes share-based payments expense for 750,000 stock options issued on January 9, 2017 to directors, officers and a consultant of the Company. Each option vested on the grant date. No stock options were issued in 9M 2018.

Professional fees decreased $19,111 reflecting an decrease in audit, tax and accounting services partially offset by an increase in due diligence activities undertaken in 9M 2018.

Other administrative expenses decreased $16,298 reflecting a reduction in rent and moving expenses incurred 9M 2017. At the end of February 2017, the Company moved to smaller premises.

Foreign exchange

In 9M 2018, the Company recorded a foreign exchange gain of $30,085 (9M 2017 – loss of $249,373) which reflects the impact of the weakening (9M 2017 – appreciation) of the C$ against the US$ during the nine month period on the translation of the Company's US$ cash balances and US$ receivables.

Income tax expense

The Company recorded an income tax expense in 9M 2018 and 9M 2017 in connection with state tax filing fees.
9M 2017 tax expense of $35,538 reflects the payment of state income tax installments that were owing.

FINANCIAL POSITION

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

	July 31, 2018	October 31, 2017	October 31, 2016
Current Assets	$ 2,218,792	$ 2,477,221	$ 1,890,948
Long Term Receivable(1)	1,249,632	1,261,965	1,554,295
Intangible assets	75,000	-	-
Investment in Associate	1,262,804	1,146,054	2,985,393
Investment in Joint Venture	13,118,129	12,508,779	10,583,266
Equipment	-	-	14,554
Total Assets	**$ 17,924,357**	**$ 17,394,019**	**$ 17,028,456**
Current Liabilities	$ 198,888	$ 9,252	$ 272,890
Total Equity	$ 17,725,469	$ 17,384,767	$ 16,755,566
Total Liabilities and Equity	**$ 17,924,357**	**$ 17,394,019**	**$ 17,028,456**

(1) As at July 31, 2018 management estimated a current portion of the long term receivable of $189,999 (October 31, 2017 - $205,257 ; October 31, 2016 - $213,404) which is included with current assets.

As at July 31, 2018, Current Assets are composed of $1.8 million of cash and cash equivalents and $0.4 million of accounts receivables and prepaid expenses and deposits. The cash and cash equivalent assets are retained by the corporate entity for operational expenses and future investment. The accounts receivable balance includes asset management fees, withholding taxes receivable and the short-term portion of the Long-Term Receivable owing to Parkit from Parking Real Estate ("PRE").

The Long Term Receivable represents advances (net of repayments) made by Parkit to PRE for the purpose of PRE's funding of investments in income producing properties and related costs of acquisition. This advance does not receive interest. As at July 31, 2018, the aggregate of the current and non-current portions of the Long Term Receivable balance was $1.44 million (US$1.11 million) of which $0.19 million (US$0.15 million) is to be repaid from the assignment of certain distributions due to PRE and the balance of $1.25 million (US$0.96 million) is to be repaid upon a disposition of properties from OP Holdings or an exit from OP Holdings.

Investment in Associate is the Company's equity share of assets held in Green Park Denver, and represents the remaining fair value of conditional consideration to be received from the sale of Canopy. The decrease in the Investment in Associate balance in 2017 is substantially attributable to contingent consideration of $2.34 million earned during the period, which is partly offset by the accretion recognized during the period of the discounted value of the remaining earn-out consideration amount and the reversal of the risk impairment relating to the second earn-out contingent consideration. The third and final tranche of the contingent consideration receivable is payable following the disposition of certain assets in OP Holdings.

Investment in Joint Ventures increased to $13.11 million as at July31, 2018 from $12.51 million as at October 31, 2017. This increase is as a result of an increase from the Company's share of the book profits of $0.78 million cash, which is partially offset by distributions of $0.17 million.

INVESTMENTS

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

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

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

PAVe LLC has different classes of membership units, and the entitlements to distributions from these investments are different among each class. The Company is currently entitled to an 82.83% economic allocation of distributions from OP Holdings to PAVe LLC. However, the Company determined it does not control PAVe LLC as control is shared jointly with PRE, and accordingly it accounts for the entity as a joint venture.

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

The Company has established that through PAVe LLC's role as an administrator and equity member of OP Holdings, PAVe LLC is able to exert significant influence over OP Holdings and accordingly PAVe LLC accounts for its 29.45% interest in OP Holdings as an investment in associate.

On October 30, 2015, the Company invested US$677,865 in PAVe LLC for the acquisition of Fly-Away Parking by PAVe Nashville, LLC ("Nashville"). Nashville is held by PAVe LLC directly, and is not part of OP Holdings. The Company is entitled to a 50% economic allocation of distributions from Nashville to PAVe LLC.

Equity earnings for Q3 2018 from the PAVe joint venture was US$518,236 (Q3 2017 - US$291,426), which includes earnings from OP Holdings of US$478,145 (Q3 2017 - US$265,471), earnings from Fly-Away Parking of US$40,091 (Q3 2017- $30,185) as well as PAVe expenses of US$Nil (Q3 2017 - US$4,230).

OP Holdings (Investment in Joint Venture)

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

In April 2015, OP Holdings acquired six assets at an 8% cap rate, for a total of US$82.6 million, assuming full payment of associated conditional earn-outs. The initial property portfolio includes two assets in which Parkit held equity, Canopy and Expresso, as well as four additional facilities described below.

- ‘Chapel Square’ located in New Haven, Connecticut (Commercial/business district)
- ‘Terra Park’ located in Jacksonville, Florida (Commercial/business district)
- ‘Riccio Lot’ located in New Haven, Connecticut (University and medical facility)
- ‘Z Parking’ located in East Granby, Connecticut (Bradley International Airport)

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

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

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

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

In August 2018, the Company announced that one of the single purpose entities held by OP Holdings JV LLC (the "Joint Venture") has sold Terra Park, its parking facility located in Jacksonville, Florida. Terra Park was bought by the Joint Venture in 2015 for US$6.4 million (consisting of an equity investment of US $2.4 million), and was sold for US $6.83 million plus an additional sum of US $750,000 paid in equal monthly installments over one year. When including the income received from the property over the period the investment was held, the sale represents an estimated levered IRR of approximately 24% to the Joint Venture.

During the Q3 2018, the Company earned portfolio asset management fees from OP Holdings of US$37,931 (Q3 2017 – US$38,900). Pursuant to the joint venture agreement, the asset management fees were reset to a lower rate following the first and second anniversaries of the closing of the OP Holdings transaction in April 2015. The decrease in fees earned in Q3 2018 also reflected the reduction in the value of the assets under management after the sale of the Terra Park property on June 29, 2018. Any future disposals of the remaining properties in the portfolio will also decrease the management fees earned by the Company.

Over the term of investment in OP Holdings, the Company has targeted yield optimization of 2-3%. The yield optimization achieved to date has decreased slightly by 0.5%, which has been adversely impacted by the recent performance of Canopy, effected by major ongoing road works that started in 2016 and continued up to December 2017.

Equity earnings for Q3 2018 from the OP Holdings joint venture was US$478,145 (Q3 2017 - US$265,471).

- OP Holdings portfolio revenues in Q3 2018 increased approximately 5% over Q3 2017.
- OP Holdings recorded a gain from the sale of one of its smaller properties, Terra Park, in Q3 2018.
- Interest, depreciation and amortization expense in OP Holdings increased by approximately 20% against the prior year period reflecting the 21% increase in the debt held from the portfolio refinancing completed in October, 2017.

During Q3 2018, the Company received cash distributions from OP Holdings of US$ Nil (Q3 2017 - $30,061).

Total cash distributions of US$2.1 million have been received since inception in April 22, 2015 to April 30, 2018, resulting an annual cash yield for the investment of approximately 7.0% [Distributions of US$2.1 million received from April 22, 2015 to July 31, 2018 / 1,196 days investment held * 365 days / the Company's total contributions to date total of US$9.05 million]. This cash yield does not include principal repayments on the properties.

A central component of the Parkit strategy is to realize capital gains on the assets upon an exit. However, the accounting rules do not allow the Company to carry its joint venture investments on its balance sheet at a fair value that reflects any appreciation in value beyond that initially recognized at the time of the acquisition and as adjusted for the earn-out consideration. Therefore, any unrealized gain that may arise after the date of acquisition, and taking into account any payment of the earn-out consideration paid, is not reflected on the statement of operations, or in the carrying value on the balance sheet. Further, the carrying value of the joint venture investments is reduced by the amount of any cash distributions to the Company and increased by the amount related book profits attributable to the Company. To the extent distributions exceed book profits the carrying value is reduced. These factors combine to provide a book value that the Company believes is lower than the current fair value of its joint ventures, and supports a premium per-share intrinsic value for Parkit shareholders.

Nashville Fly-Away Parking

On October 30, 2015, the Company invested US$677,865 in PAVe LLC for the acquisition of Fly-Away Parking ("Fly-Away Parking") by PAVe Nashville, LLC ("Nashville"). Fly-Away Parking is a 1,140 stall, 8.5 acre facility servicing the Nashville International Airport. The US$8.0 million acquisition was completed with US$5.4 million of financing at LIBOR plus 230 basis points, amortizing for periods up to 25 years. In addition, US$1.2 million of vendor financing was utilized at 4% amortizing over 5 years.

In Q3 2018, Fly-Away Parking generated a profit for the Company of US$40,091 (Q3 2017-$30,185), reducing the 9M 2018 loss to US$45,165 (9M 2017 – loss US$38,731). Management has been concerned by the underperformance at Fly-Away Parking and is monitoring developments. Earlier in the year, PRE advised the Company of recent cost control and marketing initiatives being implemented to help restore profit growth at Fly-Away Parking. In addition, Propark's regional VP has spent more time at the Nashville property during Q3 2018. The Company commissioned an updated third party appraisal that was completed in February 2018, and the Company concluded that no impairment was required to be recognized.

CASH FLOW SUMMARY

A summary of the Company's consolidated cash flows for the nine months ended July 31, 2018 and 2017 is as follows:

FOR THE NINE MONTH PERIOD ENDED	July 31, 2018	July 31, 2017
Cash used in operating activities	$ (514,231)	$ (945,048)
Cash provided by investing activities	139,309	1,070,096
Change in cash and cash equivalents	(374,922)	125,048
Foreign exchange effect on cash	15,955	(106,256)
Cash balance, beginning of the period	2,200,195	1,552,160
Cash balance, end of period	$ 1,841,228	$ 1,570,952

Operating Activities:

Net cash used in operating activities for the nine months ended July 31, 2018 was $514,231, compared to $945,048 for the nine months ended July 31, 2017. Included in significant changes in non-cash working capital items in 9M 2017 is a $337,151 increase in the second earn-out contingent receivable, which is subsequently reversed in the fourth quarter upon settlement.

Investing Activities:

Net cash provided by investing activities for the nine months July 31, 2018 was $139,309, compared to $1,070,096 for the nine months ended July 31,2018. The cash provided by investing activities in 9M 2018 and 9M 2017 includes the assignment by PRE to the Company of its management fee received during the period to repay a portion of the PRE loan receivable, and distributions from its PAVe LLC joint venture. 9M 2017 also includes the distribution from associate of the second earn-out contingent consideration, and the contribution of a portion of the second earn-out contingent consideration earned to PAVe (OP Holdings).

Financing Activities:

The Company did not undertake any financing activities during the nine month periods ended July 31, 2018 and 2017.

SECTION 4

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2018, the Company had a working capital of $2,019,904 (October 31, 2017 - $2,467,969), and current liabilities of $198,888 (October 31, 2017 – $9,252). The working capital includes cash and cash equivalents of $1,841,228 (October 31, 2017 – $2,200,195). The Company expects to settle its current liabilities through existing cash resources, fee income generated from operations and cash distributions received from PAVe. The Company believes that based on its current cash flow projections, that it will be able to meet its liquidity requirements for at least the next twelve months from available cash on hand.

The Company received US$212,266 in September 2018 of which US$106,133 was for asset management fees from November 2017 to June 2018, and US$106,133 was repayment of the Long Term Receivable. The Company expects a decrease in non-capital distributions from the joint venture within the next twelve months. This is due to the reduction in asset management fees and available cash flows from the joint venture as a result from the debt refinancing in 2017 and property disposal in 2018. However, the property disposal is positive for Parkit because the Company believes it accelerates the cash flows that the Company should receive from the Joint Venture. All of the net proceeds from the sale of Terra Park property disposal were used to satisfy the 15% preferred return of the majority member, OP Holdings JV Member LLC, an affiliate of Oz Real Estate, bringing Parkit closer to fulfilling the majority member's 15% IRR hurdle and thus accelerates the timing of future capital cash flows to be received by Parkit.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has an office lease for its head office located in Vancouver, British Columbia. The Company's total future aggregate minimum office lease payments over the remaining lease term to February 28, 2019 are as follows:

		July 31, 2018
Not later than one year	$	26,445

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

Pursuant to the terms of employment agreements entered with two new officers in July 2018, the Company will grant a further 100,000 incentive stock options on or about the first anniversary of July 1, 2019.

The Company has a commitment to contribute 5% of any capital call made by the joint venture. Capital calls will be made for the purpose of acquiring new parking real estate assets as jointly agreed by the members, and at other times as the joint venture may require capital. Management estimates this commitment to be US$7.5 million based on investment targets set out at the inception of the joint venture in April 2015. Pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, member contributions to OP Holdings in respect of any future capital commitments approximate US$1,652,000, of which the Company's contribution is approximately US$725,000.

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

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

CONTINGENCIES

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. In August 2018, believing it to be in its best interest, the Company entered into a confidential settlement agreement with the former Chief Executive Officer. The amount of the settlement agreement is not material and has been accrued in the financial statements.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As the Company continues to explore opportunities in Canada and the U.S., it will from time to time enter into non-binding contracts for the purpose of conducting due diligence on proposed transactions. As of this date the Company has not entered into any binding contracts.

OUTSTANDING SHARE DATA

As at the date of this report, the Company has 32,377,462 issued and outstanding common shares, 1,845,000 common share stock options outstanding, and no common share purchase warrants outstanding.

SECTION 5

SELECTED QUARTERLY INFORMATION

The following table sets forth the selected financial information of the Company on a consolidated basis for each of the eight most recent financial quarters:

Financial ($000's)	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017
Fee income	$ 49	$ 51	$ 53	$ 47
Share of profit from associate	40	38	38	38
Share of profit from joint venture	676	97	11	43
Expenses(2)	(365)	(186)	(195)	(210)
Share-based payments	(20)	-	-	-
Foreign exchange gain (loss)	46	154	(170)	117
Net income (loss) for the period	428	155	(262)	36
Per share – basic	$ 0.01	$ 0.00	$ (0.01)	$ 0.00

Financial ($000's)	July 31, 2017	April 30, 2017	January 31, 2017	October 31, 2016
Fee income	$ 48	$ 66	$ 66	$ 46
Share of profit from associate	39	328	99	397(1)
Share of profit from joint venture	385	226	180	348
Expenses(2)	(160)	(235)	(210)	(573)
Share-based payments	-	-	(150)	-
Loss on disposal of office equipment	-	(12)	-	-
Foreign exchange gain (loss)	(318)	165	(96)	86
Net income (loss) for the period	(5)	538	(111)	304
Per share – basic and diluted	$ (0.00)	$ 0.02	$ (0.00)	$ 0.01

Note (1): Balance has been reclassified to conform with presentation for the current periods.
(2): Expenses include general and administrative expenses (excluding share-based payments) and tax expense/recovery

Variations in the reported share of profits from the joint venture (PAVe) are impacted by the seasonality effect on the parking business. The share of profits in PAVe was also negatively impacted by the reduction in profit reported by OP Holding starting in the quarter ended October 31, 2017. OP Holdings successfully refinanced its debt portfolio in October 2017. However, as result of this refinancing, OP Holdings recognized additional one-time expenses and the write-off of deferred financing costs associated with extinguishment of the old debt. The Company's share of these additional costs amounted to approximately $245,000 and is the main driver of the reduction of the Company's share of profit in joint ventures recorded for both the quarter and year ended October 31, 2017.

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

SECTION 6

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Senior management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Senior management personnel include the Company's executive officers and members of the Board of Directors.

		Nine months ended July 31, 2018		Nine months ended July 31, 2017
Total for all senior management				
Short-term benefits	$	238,150	$	214,275
Share based payments		20,000		109,837
	$	258,150	$	324,112
Total for all directors				
Short-term benefits	$	77,400	$	61,250
Share based payments		-		29,956
	$	77,400	$	91,206
Total	$	335,550	$	415,318

Transactions with related parties.

Included in accounts payable and accrued liabilities as of July 31, 2018 is $7,776 in amounts due to related parties for July salaries and fees settled subsequent to July 31, 2018.

On July 6, 2018, the Company announced that it had purchased the operating assets of Smart Parking Solutions Canada Inc.("Smartpark") and employed its principals, Steve Strauss and Avi Minkowitz, all effective July 1, 2018.

Pursuant to the terms of employment agreements entered with Mr. Strauss and Mr. Minkowitz in July 2018, the Company:

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

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

SECTION 7

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

A summary of significant accounting policies is described in Notes 2 and 3 of the Company's Financial Statements for the year ended October 31, 2017.

New accounting policies

There were no new accounting policies adopted during the period and the accounting policies adopted in the Company's Interim Financial Statements are consistent with those adopted in the Company's Consolidated Financial Statements for the year ended October 31, 2017.

Critical judgments and estimates in applying accounting policies

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period may result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

In preparing the Interim Financial Statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those in the Company's Consolidated Financial Statements for the year ended October 31, 2017.

SECTION 8

RISKS AND UNCERTAINTIES

Readers should carefully consider the risks and uncertainties described in the Company's MD&A for the year ended October 31, 2017 (available on the SEDAR website at www.sedar.com) before deciding whether to invest in the common shares of the Company.

SECTION 9

CONTROLS AND PROCEDURES

For the purposes of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the Company is a Venture Issuer and has made no representations relating to the design and evaluations of the disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") and it has not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.