PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2022

PARKIT ENTERPRISE INC

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This Management's Discussion and Analysis ("MD&A") is prepared as of November 14th, 2022 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 September 30, 2022 ("Q3"). This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements and accompanying notes for the three and nine months ended September 30, 2022 (the "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.

REVIEW AND APPROVAL BY THE BOARD OF DIRECTORS

The Board of Directors approved the contents of this MD&A on November 14th, 2022.

SECTION 1

FORWARD LOOKING STATEMENTS

Included in this MD&A is certain forward-looking information, as such term is defined under applicable Canadian securities laws. This information relates to future events or future performance and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management and a number of assumptions that management believed were reasonable on the day such forward-looking information was presented. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "intend", "believe", "estimate", "predict", "potential", "continue" or the negative or grammatical variations of these terms or other similar expressions concerning matters that are not historical facts. In particular, information regarding the Company's future operating results and economic performance is forward-looking information. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information. See "Risks and Uncertainties".

Forward-looking information relates to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and other uncertain events. Forward-looking information, by its nature, is based on assumptions, including those described in the paragraph below, and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from those expressed in the forward-looking information. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business. These forward-looking statements include, among other things, statements relating to:

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

Actual results could differ materially from those anticipated in this MD&A as a result of the 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
- The impact of the COVID-19 pandemic on operations
- The other factors discussed under “Risks and Uncertainties”

Prospective purchasers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended.

All forward-looking information in this MD&A, is qualified by these cautionary statements. The forward-looking information is made only as of the date that such information is made and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

NON-IFRS MEASURES

Certain terms used in the MD&A such as "Income from Operations", "Yield", "Appraised Value", "Investor Rate of Return" and any related per share 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 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 publicly traded companies.

Net operating income ("NOI") is a non-IFRS measure commonly used as a measurement tool in real estate businesses. Net operating income is equal to net rental income ("NRI") presented in the Financial Statements. For the purposes of this MD&A, NRI is defined as investment property revenue less investment property operating costs. NRI does not include interest expense or income, depreciation and amortization, corporate administrative costs, stock based compensation costs or taxes. NRI assists management in assessing profitability and valuation from principal business activities.

Funds from Operations ("FFO") is a non-IFRS measure of operating performance as it focuses on cash flow from operating activities. REALPAC is the national industry association dedicated to advancing the long-term vitality of Canada's real property sector. REALPAC defines Funds From Operations (FFO) as net income (calculated in accordance with IFRS), adjusted for, among other things, depreciation, transaction costs, gains and losses from property dispositions, foreign exchange, as well as other non-cash items. Adjusted Funds from Operations ("AFFO") is FFO adjusted for straight-line rent adjustments, normal capital expenditures and normalized tenant incentives and leasing commissions. The Company's goal is to increase FFO and AFFO over the long term. While the Company's methods of calculating FFO and AFFO comply with REALPAC recommendations, they may differ from and not be comparable to those used by other companies.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 2 to its unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022. There has been no change in significant accounting policies from the Company's audited consolidated annual financial statements from December 31, 2021. The preparation of financial statements requires the Company to make estimates and judgements that affect the reported results. For a detailed discussion of the critical estimates refer to Note 4 to the Company's audited consolidated financial statements for the year ended December 31, 2021.

COVID-19 PANDEMIC

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic ("COVID-19" or "the pandemic"). This contagious disease outbreak has adversely affected workforces, economies, and financial markets globally. It has been very challenging to both businesses and individuals.

The Company has undertaken certain measures in response to the COVID-19 pandemic.

- The Company is monitoring guidance and programs from the government, regulators, and health authorities.
- Personnel are working remotely and maintaining social distancing.
- Management is also closely monitoring all expenses and is reducing non-essential expenses.

SECTION 2 – OVERALL PERFORMANCE AND STRATEGY

Business Overview

Parkit Enterprise is an industrial real estate platform focused on the acquisition, growth and management of strategically located industrial properties across key markets in Canada, with a focus on the Greater Toronto Area+ ("GTA+"), Ottawa and Montreal, to complement its parking assets across the United States of America ("USA").

Business Update

In Q3, Parkit continued its transformation into an industrial real estate platform by continuing its development of its expansion properties, actively driving leasing activity through extension of current tenants, and streamlining operations. The Company's parking operations continued to improve as air travel and business activity recover from the effects of COVID-19.

Strategic Direction

Parkit's strategy is to own and operate a portfolio of strategically located industrial properties. The Company is committed to:

- owning and operating a premium portfolio of industrial and parking assets with strong fundamentals
- focusing resources on long-term cash flow and increasing value
- maximizing the value of industrial and parking assets through expansion and innovative asset management
- ensuring the Company follows progressive environmental, social and governance policies

Parkit's investment strategy is to maximize shareholder value through growing income streams, acquisitions of high-quality assets, and increasing the intrinsic value of portfolio assets. It is anticipated that targeted acquisitions will have a combination of current and growing free cash flow, opportunities for yield enhancement and in certain circumstances opportunity for repositioning and expansion. Combined, these factors should increase the Company's value significantly over time. While Parkit's assets are not marked-to-market, and gains in value are not recognized in the Company's financial statements, it is expected that this value will be reflected through growing cash flow.

Parking Joint Ventures

In addition to its industrial real estate assets, the Company holds its parking assets in two joint ventures.

OP Holdings Joint Venture

The Company's primary parking asset is an effective 24.39% equity interest in OP Holdings JV LLC ("OP Holdings"). On April 22, 2015, the Company entered into a joint arrangement with Parking Real Estate, LLC ("PRE") and Sculptor Capital Management ("Sculptor") to form OP Holdings. The majority member of OP Holdings is a division of Sculptor, an institutional asset manager. OP Holdings has 3 assets:

- Chapel Square, located in New Haven, Connecticut (commercial/business district)
- Z Parking, located in East Granby, Connecticut (Bradley International Airport)
- Canopy Airport Parking, located in Denver, Colorado

Fly-Away Parking - Nashville

In addition to the assets held in OP Holdings, on October 30, 2015 the Company acquired a 50% indirect investment in Fly-Away Airport Parking ("Fly-Away Parking", together with OP Holdings the "Joint Ventures"), servicing the Nashville International Airport.

As asset manager and investor in parking facilities, the Company has multiple sources of revenue (management fees, acquisition fees, and earnings in equity). Upon disposition, Parkit expects to realize capital gains and incentive distributions. The combination of income streams and gains in intrinsic value (unrealized capital gains) provide Parkit shareholders the opportunity for leveraged returns alongside institutional private equity.

Joint Venture Operations

In Q3, the parking assets continued to improve as air travel experienced a rebound from the effects of COVID-19. The Company's share of profit or (loss) from the Joint Ventures are summarized in the Financial Statements, note 4. The Company's profit or loss from equity accounted investees for the three and nine months ended September 30, 2022 was a profit of $160,236 and $404,328, respectively, compared to a loss of $6,547 and $320,002 for the three and nine months ended September 30, 2021. The improvement is a result of an increase in business activity and air travel as the effects of COVID-19 subside.

The Company expects the results of the Joint Ventures to continue to improve, though it is difficult to forecast the results given the continued economic uncertainties and its impact to the Joint Ventures' parking operations.

Outlook and Subsequent Events

In Q3, the Company continued to advance its development projects, maximize its leasing activity, and improve property management operations. Industrial real estate maintains strong market fundamentals with rising rents and low vacancies, though the cap rates for industrial properties have held the same levels and in some markets increased slightly as a result of the rapid rise in interest rates.

The effect of a significant increase in interest rates may cause purchasers of industrial real estate to re-evaluate their acquisition criteria, including the total fair value of properties and the total financing available against a property.

In the Greater Toronto Area Plus ("GTA+"), Ontario, availability rates increased slightly to 0.9% from 0.8% in the previous quarter, and market rents increased to $15.97 net rent per sq ft[1] from $15.09 net rent per sq ft in the previous quarter. In Ottawa, Ontario availability rates increased to 2.3% from 1.7% in the previous quarter, and market rents increased to $13.01 net rent per sq ft[1] from $12.88 net rent per sq ft in the previous quarter.

The parking Joint Ventures have steadily improved and with the USA lifting nearly all COVID-19 restrictions, the demand for travel has progressively accelerated to the point where airports are at full capacity. Subsequent to Q3, the Company received a distribution of $2,194,620 ($1,602,840 USD). The Company expects operations to continue to recover and future distributions to be made, though the results and timing are difficult to predict due to an ever-changing economic environment.

The Company continues to evaluate new acquisition opportunities and will deploy capital only to opportunities which meet its internal thresholds, maximize net asset value and generate positive returns over the long term. Management

[1] Per CBRE – Canada Q3 2022 Quarterly Statistics

remains confident that the Company will be able to expand the size of its portfolio through discipline, data-driven and accretive acquisitions. Over the long term, Parkit's goal is to continue to grow its portfolio through acquisitions, expansions, and developments of industrial real estate while maximizing returns on its industrial and parking assets.

Environmental, Social and Governance ("ESG")

The Company believes maintaining a focus on ESG in all key decisions is a driver of long-term success. Sustainability and corporate responsibility are the pillars of long-term growth. The Company is focused on reducing its environmental impact, promoting equity, diversity, inclusion, and community initiatives, and striving for top-tier governance. Parkit's ESG strategy is promoted at all levels of the Company with both the Board of Directors ("the Board") and management collaborating to continue to improve and refine its initiatives.

Some of the Company's ESG initiatives and accomplishments include:

Environmental	• member of Canada Green Building Council, a leading not-for-profit national environmental organization • utilization of solar panels and planning for the expansion of solar panels • upgrade all properties to energy-efficient lighting on tenant turnover • use of low-flow toilets • paperless administration including cloud-based systems and records distribution
Social	• supported eligible tenants during COVID-19, with the Canada Emergency Commercial Rent Assistance (CECRA) program • ensure safe working conditions through adherence to occupational health and safety standards • promoting diversity and inclusion through Board, management and Company's use of merit-based hiring practices • community involvement and charitable initiatives • support wellness through continuing education for employees • ensure safe conditions through adherence to jurisdictional occupational health, safety and labour standards
Governance	• established Board committees for Audit, Governance & Compensation, Investments • Audit, Governance & Compensation Committees are majority independent • significant board and management ownership at over 36%

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SECTION 3 – FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

Select Financial Information (Unaudited)		Three months ended September 30, 2022		Three months ended September 30, 2021		Nine months ended September 30, 2022		Nine months ended September 30, 2021
Operating Results								
Revenue from investment properties	$	2,846,709	$	1,741,371	$	7,649,000	$	3,663,562
Net rental income	$	1,589,859	$	1,046,586	$	3,832,075	$	2,208,432
Share of profit (loss) – equity-accounted investees	$	160,236	$	(6,547)	$	404,328	$	(320,002)
Net loss	$	(177,183)	$	(678,310)	$	(927,150)	$	(4,188,310)
Net loss per share	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.02)
Funds from Operations	$	533,385	$	536,587	$	1,295,171	$	762,093
FFO per share	$	0.00	$	0.00	$	0.01	$	0.00
Weighted Avg shares outstanding		239,686,672		233,549,647		238,220,282		209,469,301
Liquidity and Leverage								
Cash					$	18,631,008	$	56,305,690
Working capital					$	15,943,790	$	55,745,911
Total assets					$	237,076,400	$	174,438,901
Total debt (loans and borrowings) [1]					$	71,083,583	$	17,239,594
Total equity					$	161,617,074	$	154,942,200
Weighted avg mortgage term (years)						4.2		5.3
Weighted avg effective mortgage rate [2]						4.00%		3.45%
Investment properties								
Properties acquired						5		3
Number of properties (cumulative)						13		5
Site area (acres) (cumulative)						74.71		42.44
In-place gross leasable area (“GLA”) (sf) [3]						1,074,801		647,441
Expansion GLA in development (sf) (iv) [4]						271,050		211,050
GLA after Stabilized & Expansion (sf)						1,345,851		858,491
In-place occupancy rate [5]						100%		99%
Average in-place net rent [6]						$13.50		$7.78
Weighted average lease term (“WALT”) (years)						5.0		5.3

1. During the nine months ended September 30, 2021, Parkit paid off $8,350,168 of vendor take back loans
2. The weighted average effective mortgage rate is the effective interest rate of each debt, over its maturity
3. For the nine months ended September 30, 2022, in-place GLA is split into stabilized in-place GLA of 796,140 sf and development in-place GLA of 278,661 sf
4. Expansion GLA includes 5610 Finch Ave East / 720 Tapscott Rd and 415 Legget Dr. See In-Development Properties
5. The occupancy rate does not include assets in development except 5610 Finch Ave East, which has an interim lease and the occupancy rate includes 1485 Speers Rd, however occupancy for that property will commence in Q4 2022
6. The average in-place rent without 1485 Speers Rd is $11.09, see Leasing Activity below

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SECTION 4 – DISCUSSION OF OPERATIONS

Financial results for the three and nine months ended September 30, 2022 and 2021

Segmented Information

The Company operates in two reportable business segments as at September 30, 2022:

- Investment Properties – acquisition, management, and growth of industrial real estate in key markets in Canada.
- Parking Assets – acquisition and management of income-producing parking facilities across the United States.

For the three months ended September 30, 2022	Investment Properties	Parking Assets	Corporate	Total
Investment properties revenue	$ 2,846,709	$ -	$ -	$ 2,846,709
Investment properties expenses	(1,256,850)	-	-	(1,256,850)
Net rental income	1,589,859	-	-	1,589,859
Other income				
Share of profit from equity-accounted investees	-	160,236	-	160,236
Interest and other income	-	32,315	37,336	69,651
	-	192,551	37,336	229,887
Operating expenses				
General and administrative expenses	-	-	376,062	376,062
Depreciation	-	-	959,906	959,906
Finance costs	-	-	660,961	660,961
	-	-	1,996,929	1,996,929
Income or (loss) before tax	**1,589,859**	**192,551**	**(1,959,593)**	**(177,183)**
Income tax expense	-	-	-	-
NET INCOME (LOSS)	$ **1,589,859**	**$ 192,551**	$ **(1,959,593)**	$ **(177,183)**
Additions:				
Investment properties	$ 2,436,236	$ -	$ -	$ 2,436,236

For the three months ended September 30, 2021	Investment Properties	Parking Assets	Corporate	Total
Investment properties revenue	$ 1,741,371	$ -	$ -	$ 1,741,371
Investment properties expenses	(694,785)	-	-	(694,785)
Net rental income	1,046,586	-	-	1,046,586
Other income (loss)				
Share of loss from equity-accounted investees	-	(6,547)	-	(6,547)
Interest and other income	-	31,185	40,300	71,485
	-	24,638	40,300	64,938
Operating expenses				
General and administrative expenses and other income	-	-	362,617	362,617
Share-based compensation	-	-	-	-
Transaction costs	689,838	-	-	689,838
Depreciation	-	-	562,434	562,434
Finance costs	-	-	174,945	174,945
	689,838	-	1,099,996	1,789,834
Income or (loss) before tax	**356,748**	**24,638**	**(1,059,696)**	**(678,310)**
Income tax expense	-	-	-	-
NET INCOME (LOSS)	$ **356,748**	$ **24,638**	$ **(1,059,696)**	$ **(678,310)**
Additions:				
Investment properties	$ 25,984,076	$ -	$ -	$ 25,984,076

For the nine months ended September 30, 2022	Investment Properties	Parking Assets	Corporate	Total
Investment properties revenue	$ 7,649,000	$ -	$ -	$ 7,649,000
Investment properties expenses	(3,816,925)	-	-	(3,816,925)
Net rental income	3,832,075	-	-	3,832,075
Other income				
Share of profit from equity-accounted investees	-	404,328	-	404,328
Interest and other income	-	95,253	62,478	157,731
	-	499,581	62,478	562,059
Operating expenses				
General and administrative expenses and other income	-	-	1,300,848	1,300,848
Depreciation	-	-	2,740,760	2,740,760
Finance costs	-	-	1,279,357	1,279,357
	-	-	5,320,965	5,320,965
Income or (loss) before tax	**3,832,075**	**499,581**	**(5,258,487)**	**(926,831)**
Income tax expense	-	-	(319)	(319)
NET INCOME (LOSS)	$ **3,832,075**	$ **499,581**	$ **(5,258,806)**	$ **(927,150)**
Additions:				
Investment properties	$ 63,643,532	$ -	$ -	$ 63,643,532

For the nine months ended September 30, 2021		Investment Properties		Parking Assets		Corporate		Total
Investment properties revenue	$	3,663,562	$	-	$	-	$	3,663,562
Investment properties expenses		(1,455,130)		-		-		(1,455,130)
Net rental income		2,208,432		-		-		2,208,432
Other income (loss)								
Share of loss from equity-accounted investees		-		(320,002)		-		(320,002)
Interest and other income		-		92,916		129,044		221,960
		-		(227,086)		129,044		(98,042)
Operating expenses								
General and administrative expenses and other income		-		-		1,071,333		1,071,333
Share-based compensation		-		-		1,667,520		1,667,520
Transaction costs and land transfer taxes		1,793,739		-		-		1,793,739
Depreciation		-		-		1,159,224		1,159,224
Finance costs		-		-		594,037		594,037
		1,793,739		-		4,492,114		6,285,853
Income or (loss) before tax		**414,693**		**(227,086)**		**(4,363,070)**		**(4,175,463)**
Income tax expense		-		-		(12,847)		(12,847)
NET INCOME (LOSS)	$	**414,693**	**$**	**(227,086)**	$	**(4,375,917)**	$	**(4,188,310)**
Additions:								
Investment properties	$	66,756,302	$	-	$	-	$	66,756,302

Investment properties revenue, expenses and net rental income

Investment properties revenue includes base rent from investment properties, recovery of operating costs, property taxes and capital expenditures from tenants, the impact of straight-line rent adjustments, lease termination fees and other adjustments, as well as fees earned from property management.

Investment properties revenue for the three and nine months ended September 30, 2022 rose to $2,846,709 and $7,649,000 respectively, compared to $1,741,371 and $3,663,562 for the three and nine months ended September 30, 2021. The increase in revenue from investment properties is due to the acquisitions made by the Company.

Investment properties expenses comprise operating costs and property taxes as well as certain expenses that are not recoverable from tenants. Operating expenses fluctuate with changes in occupancy levels, expenses that are seasonal in nature, and the level of repairs and maintenance incurred during the period.

Investment properties expenses for the three and nine months ended September 30, 2022 increased to $1,256,850 and $3,816,925, compared to $694,785 and $1,455,130 for the three and nine months ended September 30, 2021. The increase in expenses from investment properties is due to the acquisitions made by the Company. The investment properties expenses increased at a larger rate than revenues as a result of certain investment properties transitioning and in development.

Net rental income for the three and nine months ended September 30, 2022 increased to $1,589,859 and $3,832,075, compared to $1,046,586 and $2,208,432 for the three and nine months ended September 30, 2021. The increase in net rental income is due to the acquisitions made by the Company. The net rental income did not increase in proportion to revenues as a result of additional investment property expenses from investment properties that are unstabilized and in-transition.

The gross margin in Q3 improved as compared to gross margins in Q1 and Q2, as the Company added more stabilized properties and minimized its costs for in-transition and in-development properties. The stabilized investment properties are properties with long-term leases in place. Development and in-transition properties include properties that are in the planning and development stage or transitioning the building to a different use. Development properties may have some holding income, however, the short-term revenue and markets are more variable than stabilized properties. In-transition properties are properties which have a long-term lease signed, however, there is an interim period before the commencement of the lease.

	Stabilized Properties (i)	In-Transition and In-Development Properties (ii)	Total for the three months ended September 30, 2022
Investment property revenue	$ 2,722,846	$ 123,863	$ 2,846,709
Investment property expenses	(848,053)	(408,797)	(1,256,850)
Net Rental Income (Loss)	**$ 1,874,793**	**$ (284,934)**	**$ 1,589,859**
Gross Margin	**69%**	**(230%)**	**56%**

	Stabilized Properties (i)	In-Transition and In-Development Properties (ii)	Total for the nine months ended September 30, 2022
Investment property revenue	$ 6,923,539	$ 725,461	$ 7,649,000
Investment property expenses	(2,404,225)	(1,412,700)	(3,816,925)
Net Rental Income (Loss)	**$ 4,519,314**	**$ (687,239)**	**$ 3,832,075**
Gross Margin	**65%**	**(95%)**	**50%**

(i) The margin for stabilized properties for the three and nine months ending September 30, 2022 is 69% and 65% respectively and impacted by in-place rents being under market rents

(ii) The in-transition and in-development properties may have interim revenue, however, they are not fully occupied, therefore the properties have a net rental loss. Once these properties are stabilized, the Company expects the margins to improve.

Stabilized properties	In-transition and in-development properties
• 5600 Finch Ave East	• 415 Legget Dr (iii)
• 4390 Paletta Crt	• 568 Second St (iii)
• 1165 Kenaston St	• 720 Tapscott Rd
• 1151-1181 Parisien St	• 1485 Speers Rd (ii)
• 1665 Blvd Lionel-Bertrand	
• 5610 Finch Ave East (i)	
• 3455 Mainway Dr	
• 5300 Harvester Rd	
• 1155 Lola St	

(i) 5610 Finch Ave East is stabilized with a mid-term lease until the properties move to development in mid-2024
(ii) 1485 Speers Rd is in transition until the commencement of a long-term lease in Q4 2022
(iii) 415 Legget Dr and 568 Second St are repositioning, the properties may have interim revenue during this process

Share of profit and loss from equity-accounted investees

The share of profit and loss from equity-accounted investees includes the investment in the Company's Joint Ventures, investment in associate, and long-term receivable.

- The investment in the Company's Joint Venture includes the equity participation in the OP Holdings portfolio and Fly-Away Parking

- The Company's share of profit (loss) 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 Company's long-term receivable pertains to the Company's advanced 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. A portion has been repaid from the assignment of certain distributions due to PRE and the balance of $1,315,873 ($960,000 USD) is to be repaid upon disposition of certain investments or parking assets.

The share of profit and loss from equity-accounted investees for the three and nine months ended September 30, 2022 was a profit of $160,236 and $404,328, compared to a loss of $6,547 and $320,002 for the three and nine months ended September 30, 2021. The share in the profit and losses from the Joint Ventures, reflects the Company's equity participation of the profit and loss from PAVe LLC (OP Holdings and Fly-Away Parking). The results from the equity-accounted investees improved with the improvement of results from the Join Ventures operations. The Company continues to manage its joint ventures as operations recover from COVID-19. The Company expects the parking results to continue to improve as the effects of the pandemic diminish.

The details of the Joint Ventures are detailed below and can also be found in note 4 of the financial statements. The operations of the Joint Ventures translated using average exchange rates for the period are summarized as follows:

		For the three months ended September 30, 2022		For the three months ended September 30, 2021		For the nine months ended September 30, 2022		For the nine months ended September 30, 2021
Property revenue	$	750,788	$	522,058	$	2,065,467		$1,099,970
Property expenses		(548,184)		(537,003)		(1,609,174)		(1,201,445)
Net property income (loss)		202,604		(14,945)		456,293		(101,475)
Depreciation expense		(64,892)		(64,340)		(191,301)		(178,052)
Mortgage interest expense		(74,721)		(62,807)		(193,419)		(241,884)
Profit (loss) from property operations		62,991		(142,092)		71,573		(521,411)
Profit (loss) from associate		154,666		71,016		443,365		(67,051)
Profit (loss)	$	217,657	$	(71,076)	$	514,938	$	(588,462)
Share of profit or (loss) from joint venture (ii)	**$**	**160,236**	**$**	**(6,547)**	**$**	**404,328**	**$**	**(320,002)**

i. The joint venture 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%. Under the equity method, on initial recognition the investment in the joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

ii. 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 82.8% 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.

General and administrative expenses

General and administrative expenses for the three and nine months ended September 30, 2022 increased to $376,062 and $1,300,848, compared to $362,617 and $1,071,333 for the three and nine months ended September 30, 2021. The increase was due to additional fees and expenses due to increased business activity.

Share-based compensation

The share-based compensation decreased to nil for the three and nine months ended September 30, 2022, compared to nil and $1,667,520 for the three and nine months ended September 30, 2021 as the Company did not issue any stock-based compensation during 2022.

Transaction costs and land transfer taxes

The transaction costs and land transfer taxes were nil for the three and nine months ended September 30, 2022, compared to $689,838 and $1,793,739 for the three and nine months ended September 30, 2021. The Company's transaction costs were capitalized for the period ended September 30, 2022.

Depreciation

The Company elected the cost model for measurement for its investment properties where the investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciation was $959,906 and $2,740,760 for the three and nine months ended September 30, 2022, compared to $562,434 and $1,159,224 for the three and nine months ended September 30, 2021. The increase in depreciation is due to the number of investment properties held by the Company up to the end of the period.

Finance costs

The finance costs were $660,961 and $1,279,357 for the three and nine months ended September 30, 2022, compared to $174,945 and $594,037 for the three and nine months ended September 30, 2021. The increase in finance costs is due to the additional debt held by the Company in the nine months ended September 30, 2022.

Net Loss

The net loss was $177,183 and $927,150 for the three and nine months ended September 30, 2022, compared to $678,310 and $4,188,310 for the three and nine months ended September 30, 2021. The change is a result of an increase in net rental income offset by increases to general and administration expenses, depreciation, finance costs, and a profit or loss from equity accounted investees. The decrease in the loss was due to no share-based compensation or transaction costs being expensed for the periods ended September 30, 2022 compared to September 30, 2021.

Funds from Operations ("FFO")

		Three months ended September 30, 2022		**Three months ended September 30, 2021**		**Nine months ended September 30, 2022**		**Nine months ended September 30, 2021**
Net loss and comprehensive loss	$	(177,183)	$	(678,310)	$	(927,150)	$	(4,188,310)
Add / (Deduct):								
Share of loss (gain) from equity-accounted investees		(160,236)		6,547		(404,328)		320,002
Depreciation		959,906		562,434		2,740,760		1,159,224
Foreign exchange gain		(89,102)		(43,922)		(114,430)		(2,929)
Transaction cost and land transfer tax on acquisition		-		689,838		-		1,793,739
Share-based compensation		-		-		-		1,667,520
Income tax expense (recovery)		-		-		319		12,847
FFO	**$**	**533,385**	**$**	**536,587**	**$**	**1,295,171**	**$**	**762,093**
FFO per share	**$**	**0.00**	**$**	**0.00**	**$**	**0.01**	**$**	**0.00**

The FFO for the three and nine months ended September 30, 2022 was comparable or increased to $533,385 and $1,295,171, compared to an FFO of $536,587 and FFO of $762,093 for the three and nine months ended September 30, 2021. The YTD increase in FFO comes from the operations of investment properties as the Company onboarded more industrial real estate assets.

Investment properties - Acquisitions

The Company's investment properties acquisitions for the nine months ended September 30, 2022 are detailed below:

	Number of properties	GLA	Cost	Date acquired
1665 B. Lionel-Bertrand, Boisbriand, QC	1	55,547	$ 8,500,000	January 7, 2022
568 Second St, London, Ontario	1	84,000	8,500,000	February 22, 2022
3455 Mainway Dr, Burlington, ON	1	16,279	6,180,000	May 2, 2022
5300 Harvester Rd, Burlington, ON	1	61,182	17,133,437	May 11, 2022
1155 Lola St, Ottawa, ON	1	62,405	17,600,000	May 25, 2022
For the nine months ended September 30, 2022	**5**	**279,413**	**$ 57,913,437**	
For the year ended December 31, 2021	**6**	**565,646**	**$ 100,633,400**	
For the two months ended December 31, 2020	**2**	**229,742**	**$ 36,250,000**	

In-Development Properties

The following table summarizes the Company's ongoing in-development projects as at September 30, 2022:

Property	Planned GLA	Ownership	Comment
Planning and permitting stage			
5610 Finch Ave East & 720 Tapscott Rd	121,050	100%	Construction to commence in 2024
415 Legget Drive, Ottawa, Ontario	150,000	100%	Construction to commence in 2023
568 Second St, London, Ontario	-	100%	Repositioning site from office to industrial
Total	**271,050**		

The Company continues to advance on its development at 5610 Finch Avenue East and 720 Tapscott Rd where the Company plans to add at least 121,050 sq feet and resulting in an industrial warehouse of at least 175,000 sq feet at these two properties. The Company expects construction to begin in 2024.

The Company plans to develop 415 Legget Dr, by repositioning the property from a flexible office and warehouse to a combination of light industrial and warehouse. In addition to the repositioning, the Company also plans on adding at least 150,000 sq feet of light industrial and warehouse on the property. The Company expects to finish development of the existing property in 2023.

The Company plans to reposition 568 Second St from flexible office to warehouse. The Company expects to complete the repositioning in 2023.

Over the long-term, management intends to expand the Company's development program on a selective basis through building expansions or construction on new properties. In all cases, the objective of the development is to generate elevated returns to augment the returns from the Company's core portfolio of stabilized assets and to upgrade the portfolio through the addition of Class A assets, but in a manner that minimizes risk to the Company. The Company's development focus is where capitalization rates are at historic lows and in areas where the market remains significantly undersupplied.

Industrial Asset Portfolio

As of September 30, 2022, Parkit owns and operates a portfolio of 13 industrial assets totaling 1,074,801 sq ft of GLA with an additional 271,050 sq ft planned in future expansions.

The Company leases industrial properties to tenants under operating leases. In Q3, the Company had 100% collections, is 100% tenanted, and has one tenant, previously in arrears, on a payment plan.

As at September 30, 2022, the Company's tenants operate in a variety of industries, with no one tenant accounting for more than 9.4% of total GLA. The Company's portfolio of 13 industrial assets has 34 tenants.

As at September 30, 2022, the Company has an in-place and committed occupancy of 100% for 9 stabilized properties and 1 in transition property (1485 Speers Rd). The Company has 3 other properties in development with short-term income. The stabilized properties with 1485 Speers Rd, have an average in-place net rent for the portfolio of $13.50 per sq ft and $11.09 per sq ft without 1485 Speers Rd compared with market rents of $13.88 per sq ft in Q3 of 2022[1.]

Portfolio as at September 30, 2022	**Average in-place base rent (per sq ft)**	**Estimated market rent (per sq ft)**	**WALT**
Greater Toronto Area +, Ontario	$14.77	$15.97	5.4 years
Ottawa, Ontario and Montreal, Quebec	$11.58	$13.01	4.5 years
Total Portfolio	$13.50	$13.88	5.0 years
GTA+ without 1485 Speers, ON	$9.72	$15.97	3.4 years
Total Portfolio without 1485 Speers, ON	$11.09	$13.88	4.0 years

(i) The average in-place rents include a new lease at 1485 Speers Rd for 15 years at a starting rate of $17.00 per sq ft.

(ii) Without Speers, the GTA plus portfolio would have an Avg in-place base rent of $7.14 and a WALT of 2.8 years, the GTA plus portfolio still has significant rent growth when we exclude 1485 Speers Rd.

[1] Per CBRE – Canada Q3 2022 Quarterly Statistics

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Leasing Activity – Renewals

In Q3, the Company renewed 63,382 sq ft of space in Ottawa at a net rental rate averaging $17.03 per sf over 5 years, which was 123% over the prior in-place rents. The Company expects to continue to renew leases at market rates.

	Renewal Total	
	GLA	**Rental rate growth (%)**
For 3 months ended September 30, 2022	63,382	123%
For 3 months ended June 30, 2022	4,681	63%
For 3 months ended March 31, 2022	4,647	38%
For the year ended December 31, 2021	9,310	44%

Leasing Activity – New Deals

The Company did not have any new leases signed in Q3. In Q1, the Company signed two new lease deals.

- 1485 Speers Rd – the Company signed a long-term lease deal with a tenant starting at $17.00 per sf
- 5610 Finch Ave East – the Company signed an interim lease deal with a tenant starting at $10.00 per sf

Lease Maturity

The following table details the portfolio lease maturity profile of stabilized investment properties:

Portfolio as at September 30, 2022	**Vacancy**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027+**
Total vacancy / renewal (sq ft)	-	3,311	95,295	144,440	57,957	58,110	437,027
Total stabilized GLA (i)							796,140
Percentage of stabilized GLA	-	0%	12%	18%	7%	7%	55%

(i) Includes stabilized and in-transition properties
(ii) Total GLA excludes 278,661 sq ft for 415 Legget Drive, 568 Second St and 720 Tapscott Rd, which are in development.

SECTION 5 – SUMMARY OF QUARTERLY RESULTS

The following table sets forth the selected financial information of the Company for the most recent financial quarters:

	Three months ended September 30, 2022[(i) (ii)]	Three months ended June 30, 2022[(i) (ii)]	Three months ended March 31, 2022[(i) (ii)]	Three months ended December 31, 2021[(i)]
Investment properties revenue	$ 2,846,709	$ 2,691,836	$ 2,110,455	$ 2,115,089
Investment properties expense	(1,256,850)	(1,317,655)	(1,242,420)	(1,000,960)
Net rental income	**1,589,859**	**1,374,181**	**868,035**	**1,114,129**
Other income				
Share of profit from equity investees [(vi)]	160,236	204,680	39,412	30,769
Interest and other income	69,651	49,567	38,513	58,483
	229,887	**254,247**	**77,925**	**89,252**
Other expenses				
General and administrative	376,062	534,307	390,479	305,919
Transaction costs taxes [(iii)]	-	-	-	(1,793,739)
Share-based compensation	-	-	-	1,507,545
Depreciation	959,906	916,643	864,211	807,597
Finance costs	660,961	433,855	184,541	176,124
	1,996,929	**1,884,805**	**1,439,231**	**1,003,446**
Income (loss) before tax	**(177,183)**	**(256,377)**	**(493,271)**	**199,935**
Income tax (expense) recovery	-	(319)	-	-
Net (loss) and comprehensive loss	**$ (177,183)**	**$ (256,696)**	**$ (493,271)**	**$ 199,935**
Per share – basic and diluted	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ 0.00**

	Three months ended September 30, 2021(i)	Three months ended June 30, 2021(i)	Three months ended March 31, 2021(i)	Two months ended December 31, 2020(v)
Investment properties revenue	$ 1,741,371	$ 1,327,495	$ 594,696	$ 17,290
Investment properties expense	(694,785)	(527,922)	(232,423)	(5,974)
Net rental income	**1,046,586**	**799,573**	**362,273**	**11,316**
Other income (loss)				
Share of profit (loss) from equity investees (vi)	(6,547)	2,400	(315,855)	(78,061)
Interest and other income	71,485	86,790	63,685	21,557
	64,938	**89,190**	**(252,170)**	**(56,504)**
Other expenses (income)				
General and administrative	362,617	306,741	401,975	254,943
Transaction costs (iii)(iv)	689,838	-	1,103,901	1,259,824
Share-based compensation	-	1,667,520	-	-
Depreciation	562,434	409,310	187,480	-
Finance costs	174,945	176,430	242,662	8,114
	1,789,834	**2,560,001**	**1,936,018**	**1,522,881**
Income (loss) before tax	**(678,310)**	**(1,671,238)**	**(1,825,915)**	**(1,568,069)**
Income tax (expense) recovery	-	(12,530)	(317)	-
Net (loss) and comprehensive loss	**$ (678,310)**	**$ (1,683,768)**	**$ (1,826,232)**	**$ (1,568,069)**
Per share – basic and diluted	**$ (0.00)**	**$ (0.01)**	**$ (0.01)**	**$ (0.04)**

(i) The results for the quarters subsequent to December 31, 2020 reflect a continued shift to an industrial real estate platform.

(ii) The additional costs for the quarters ending between September 30 and March 31, 2022 are a result of unstabilized investment properties.

(iii) The transaction costs and land transfer taxes have been expensed for the three months ended March 31, 2021 and three months ended Sept 30, 2021 have been subsequently capitalized in the three months ended December 31, 2021.

(iv) The costs for the two months ended December 31, 2020 have been capitalized and subsequently expensed to reflect a one-time impairment of the investment properties.

(v) The Company changed its year-end to December 31, which resulted in a two-month stub period for December 31, 2020.

(vi) The Company's share of profit from equity investees has steadily increased as the results of COVID-19 subside.

SECTION 6 – LIQUIDITY AND CAPITAL RESOURCES

	Balance at September 30, 2022	Balance at December 31, 2021	Balance at December 31, 2020
Liquidity and Leverage			
Cash	$ 18,631,008	$ 21,797,256	$ 9,140,322
Working capital	$ 15,943,790	$ 20,698,840	$ 8,796,836
Total assets	$ 237,076,400	$ 177,640,703	$ 60,332,290
Total debt (loans and borrowings)	$ 71,083,583	$ 17,126,214	$ 25,923,039
Total equity	$ 161,617,074	$ 158,326,080	$ 33,681,061

Cash

Cash decreased to $18,631,008 as at September 30, 2022 from $21,797,256 as at December 31, 2021. The decrease is a result of cash used in the acquisition of investment properties and the associated transaction costs, cash used in development of property, cash used for the repayment of debt and cash used to buy back shares, partially offset from cash from operations and proceeds from debt issuances.

Working capital

Working capital decreased to $15,943,790 as at September 30, 2022 from $20,698,840 as at December 31, 2021. The decrease is a result of the decrease in cash for the period.

Total assets

Total assets increased to $237,076,400 as at September 30, 2022 from $177,640,703 as at December 31, 2021. The increase is a result of additional investment properties purchased less cash consideration paid and any changes in working capital.

Total debt

Total debt increased to $71,083,583 as at September 30, 2022 from $17,126,214 as at December 31, 2021. The increase is a result of new debt being issued less the repayment of mortgage principal.

Total equity

Total equity increased to $161,617,074 as at September 30, 2022 from $158,326,080 as at December 31, 2021. The increase is a result of additional capital received as consideration for the purchase of investment properties offset by the net loss for the period and shares repurchased as part of the Company's buyback program.

Debt summary

The following table summarizes the debt as of September 30, 2022 and December 31, 2021

	September 30, 2022			December 31, 2021		
	Rate Range	**Weighted Average**	**Balance**	**Rate Range**	**Weighted average**	**Balance**
Mortgages:						
At amortized cost - Fixed/Variable	2.31% to 5.68%	3.62%	$ 19,242,332	4.46%	4.46%	$ 8,199,628
	Maturity: Jan 2024 to Dec 2025			*Maturity: Jan 2024*		
At FVTPL - Variable			14,320,314			8,876,796
- Interest rate swap (ii)			(1,142,065)			108,488
		3.56%	13,178,249		3.49%	8,985,284
	Maturity: May 2025 to Nov 2029			*Maturity: Nov 2029*		
Credit facilities:						
At amortized cost – Variable (v)		6.34%	19,000,000	-	-	-
	Maturity: Jan 2025					
At amortized cost – Variable			20,553,851	-	-	-
- Interest rate swap (vi)			(553,851)			-
		5.10%	20,000,000			-
	Maturity: Jan 2025					
Total Debt (i)		**4.75%**	**71,420,581**		**3.95%**	**17,184,912**
Financing costs, net (iii)			(336,998)			(58,698)
Carrying value (iv)			$ **71,083,583**			$ **17,126,214**

i. The mortgages are collateralized by a first charge certain investment properties (financial statement note 3).

ii. The mortgage models a fixed rate mortgage with a set interest rate ranging from of 3.49% to 3.69% over a 5-to-10-year amortization period with a fixed monthly repayment. The mortgages consist of a banker's acceptance (BA) rate of 3.52% to 3.67% plus associated BA stamping fees of 1.50% to 2.75% per annum. There is an interest rate swap that limits the floating interest rate exposure under the loans to a fixed rate between the range of 3.49% to 3.69% per annum. The swap contracts require 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. The mortgage and interest rate swap have been accounted for at FVTPL. As at September 30, 2022, the interest rate swap on mortgages was in a net asset position of $1,142,065 (December 31, 2021 – liability position $108,488).

iii. The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization of $82,858 at September 30, 2022 (December 31, 2021 - $19,671).

iv. See note 15 in the financial statements for additional disclosure on the estimated fair value of the debt.

v. On October 3, 2022, the company made a repayment of $14,000,000 on its revolving credit facility. On October 26, 2022, the company had entered into a swap agreement to fix the remaining line of credit balance of $5,000,000 at 5.74%, for the remainder of the loan term maturing on January 28, 2025.

vi. The company has entered into a swap agreement to fix the interest rate to 5.1% on the $20,000,000 non-revolving line of credit, for the remainder of the loan term maturing on January 28, 2025. The swap contracts require settlement of net interest receivable or payable every 30 days and have been accounted for at FVTPL. As of September 30, 2022, the interest rate swap on mortgages was in a net asset position amounting to $533,851.

The following table provides a continuity of total debt for the nine months ended September 30, 2022.

		September 30, 2022
Balance at beginning of period	$	**17,126,214**
Debt issuance (i)		41,486,630
Debt assumed on acquisition of investment properties (note 3)		13,266,748
Transaction costs capitalized		(361,158)
Debt repayment		(517,709)
Change in fair value of mortgage payable measured at FVTPL		1,804,404
Change in fair value of interest rate swap		(1,804,404)
Amortization of debt issuance costs		82,858
Balance at end of period	**$**	**71,083,583**

i. Debt issuance is net of debt repayments on the revolving credit facility at a financial institution

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

		Total
2022	$	249,310
2023		1,024,838
2024 (i)		8,557,050
2025 (i)		53,703,510
2026		299,646
Thereafter (i)		7,586,227
	$	**71,420,581**

i. Includes debt balance due at maturity.

SHARES OUTSTANDING

As at the date of this report, the Company has:

- 234,616,162 issued and outstanding common shares (September 30, 2022 – 236,203,962)
- 7,400,000 common share stock options outstanding (September 30, 2022 – 7,400,000)

Equity

The following table shows the change in number of common shares outstanding and share capital for the periods presented:

	Number	Amount
Balance as at December 31, 2021	234,463,680	$ 168,898,901
Shares issued – consideration for acquisition of investment properties	7,885,982	10,133,437
Purchased and cancellation of common shares under NCIB	(6,145,700)	(4,540,048)
Balance as at September 30, 2022	**236,203,962**	**$ 174,492,290**

In March 2022, the Company implemented a Normal Course Issuer Bid ("NCIB") program to purchase for cancellation, during the 12-month period starting March 18, 2022, up to 11,823,221 of the outstanding common shares of the Corporation (the "Common Shares"), representing at 5% of the common shares outstanding. The program will end on March 17, 2023 unless the maximum amount of common shares is purchased or the Company provides earlier notice of termination. The price paid for the common shares is, subject to NCIB pricing rules contained in securities laws, the prevailing market price of such common shares on the TSX Venture Exchange at the time of such purchase.

During the nine months ended September 30, 2022, the Company purchased and cancelled 6,145,700 common shares pursuant to its NCIB for a total of $5,915,293 at an average price of $0.96 per share. The Company's share capital was reduced by $4,540,048 for the average carrying value of the shares purchased for cancellation with the excess of $1,375,245 paid over the average carrying value recognized as an increase in deficit. Subsequent to September 30, 2022, the Company purchased and cancelled 1,587,800 common shares pursuant to its NCIB for a total of $1,549,465.

Stock Options

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at December 31, 2021	7,400,000	$ 1.50
Balance as at September 30, 2022	**7,400,000**	**$ 1.50**

As of September 30, 2022, the following stock options were outstanding and exercisable:

Exercise Price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
$1.50	7,400,000	7,400,000	8.99

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Joint Venture Debt and Cash Obligations

During 2020 and 2021 management of the Joint Ventures renegotiated existing debt within the Joint Venture to increase amortization and lower servicing costs. Additional reserves were established.

During the nine months ended September 30, 2022, the Company contributed $557,692 to Fly Away Parking. The Company does not expect an additional contribution will be made as the Joint Ventures have been restructured for cost and debt servicing.

Private Placements

Bought Deal and Non-Brokered Private Placement – February 17, 2021

On February 17, 2021, the Company completed (i) a bought deal private placement for $69,000,006 and (ii) concurrent non-brokered private placement for $14,999,999, each at a price of $0.95 per common share, issuing 72,631,585 and 15,789,473 common shares, respectively.

Bought Deal and Non-Brokered Private Placement – March 18, 2021

On March 18, 2021, the Company completed (i) a bought deal private placement for $40,261,500 and (ii) concurrent non-brokered private placement for $999,498, each at a price of $1.50 per common share, issuing 26,841,000 and 666,332 common shares, respectively. The funds from the non-brokered private placement on December 29, 2020, the private placements on February 17, 2021, and the private placements on March 18, 2021 (collectively "Private Placements") will fund future acquisitions and be used for general operational purposes. At the close of the private placements on March 18, 2021, the Company had 233,549,647 common shares issued and outstanding.

The Company raised $125,261,003 less commission fees in the above listed private placements.

Liquidity

Notwithstanding, the uncertainty caused by the COVID-19 pandemic, the Company has strengthened its liquidity position by completing private placements at higher valuations and acquired assets which will generate strong cash flows. The Company is in a strong position to strategically acquire assets which will be accretive to cash flows and net asset value.

As of September 30, 2022, the is the available liquidity of the Company:

	September 30, 2022	December 31, 2021
FV of unencumbered assets available to be encumbered	$ 49,712,000	$ 120,321,060
Estimated borrowing capacity on unencumbered assets (i)	27,341,600	66,176,583
Cash	18,631,008	21,797,256
Available financing based on commitment letter (ii)	16,000,000	-
Additional estimated borrowing capacity (above)	27,341,600	66,176,583
Estimated available liquidity (iii)	$ 61,972,608	$ 87,973,839

i. The estimated borrowing capacity is calculated as unencumbered assets available to be encumbered multiplied by 55% loan to value.

ii. During the quarter ended March 31, 2022, the Company signed a commitment letter with a bank for a three-year $55 million credit facility to fund real estate acquisitions, refinance certain investment properties, and other general corporate purposes. The facility is comprised of a $35 million demand revolving term loan and a $20 million non-revolving term loan. The non-revolving term loan of $20 million was fully drawn by a single drawdown, on April 27, 2022. Interest is payable monthly based on the bank's prime lending rate plus an applicable margin, and stand-by fees apply to the demand revolving term loan. During the year, the company had fixed the interest rate through a swap agreement. See the financial statement note 4 for more details. Security on the loan includes first priority charges and assignment of rents on certain investment properties. The Corporation must maintain certain covenants which include a total debt to assets ratio, a tangible net worth ratio, and loan to value ratio.

iii. For September 30, 2022, the estimated available liquidity was $61,972,608, compared to $87,973,839 for December 31, 2021. The available liquidity decreased by $26,001,231, due to the Company purchasing $57,180,000 in acquisitions and $5,915,293 under NCIB for the nine months ended September 30, 2022. The Company expects to use a combination of the estimated available liquidity, in addition to shares and debt to acquire future investment properties.

CASH FLOW SUMMARY

A summary of the Company's consolidated cash flows is as follows:

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Cash flows from operating activities	$ 3,571,514	$ 599,081
Cash flows used in investing activities	(40,252,477)	(63,854,944)
Cash flows from financing activities	33,512,344	110,424,477
Increase in cash and cash equivalents	(3,168,619)	47,168,614
Foreign exchange effect on cash	2,371	(3,246)
Cash balance, beginning of the period	21,797,256	9,140,322
Cash balance, end of period	**$ 18,631,008**	**$ 56,305,690**

Operating Activities:

The Company had net cash of $3,571,514 in operating activities for the nine months ended September 30, 2022, compared to cash flow from operations of $599,081 for the nine months ended September 30, 2021, as a result of business activity in each period. The increase in operating cash flows is a result of an increase in net rental income for the period.

Investing Activities:

The Company used net cash of $40,252,477 in investing activities for the nine months ended September 30, 2022, compared to cash used of $63,854,944 from investing activities for the nine months ended September 30, 2021, as a result of payments for investment properties and the transaction costs and land transfer tax associated with those purchases. The decrease in the net cash used is a result of the number of acquisitions made for the period. As part of the net cash used, the Company contributed $557,692 to its joint venture Fly-Away Parking for the nine months ended September 30, 2022, compared to a contribution of $172,456 for the nine months ended September 30, 2021.

Financing Activities:

The Company received net cash of $33,512,344 in financing activities for the nine months ended September 30, 2022, as a result of proceeds from debt financing less amounts paid for Company shares purchased under NCIB, repayment of debt, interest paid and debt issuance costs. The Company received net cash of $110,424,477 for the nine months ended September 30, 2021, as a result of two private placements for $125,261,003 less fees on February 17, 2021 and March 18, 2021, the repayment of vendor take back loans, new debt issued and monthly repayment of mortgage debt.

PARKIT
ENTERPRISE INC

SECTION 7 – DISCLOSURES

OFF BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

None.

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.

	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Total for all senior management				
Salaries, fees, and short-term benefits	$ 88,532	$ 60,720	$ 237,784	$ 203,958
Share-based compensation	-	-	-	967,161
	88,532	60,720	237,784	1,171,119
Total for all directors				
Fees	36,000	42,000	120,000	120,000
Share-based compensation	-	-	-	583,632
	36,000	42,000	120,000	703,632
Total	**$ 124,532**	**$ 102,720**	**$ 357,784**	**$ 1,874,751**

Transactions with related parties

Included in accounts payable and accrued liabilities as of December 31, 2021 is $9,361 due to officers for expense reimbursements.

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.

- For the three and nine months ended September 30, 2022, the Company incurred property management fees and other rental and general operating expenses totalling $432,102 and $1,403,639, respectively, from ARMS and its related companies (three and nine months ended September 30, 2021 - $274,739 and $445,525, respectively).
- For the three and nine months ended September 30, 2022, $2,330,733 and $3,817,549, respectively, of costs incurred through ARMS and its related companies have been capitalized to investment properties (three and nine months ended September 30, 2021 - $1,399,329).

- Amounts due to ARMS and its related companies at September 30, 2022 includes $2,066,987 in accounts payable and accrued liabilities (December 31, 2021 - $1,069,163). Amounts due from ARMS and its related companies at September 30, 2022 include $56,626 in accounts receivable (December 31, 2021 - $104,203).

For the three and nine months ended September 30, 2022, the Company earned $329,574 and $872,006, respectively, in investment properties revenues from leases with companies controlled by two directors of the Company (three and nine months ended September 30, 2021 - $176,810 and $378,534, respectively).

On May 11, 2022, the Company purchased an industrial property located in Burlington, Ontario, for an aggregate purchase price of $17,133,437, subject to customary adjustments. The vendor of the property is a related party that is a company wholly owned by a director and chair of Parkit, and the acquisition constituted a non-arm's length transaction. The purchase price was satisfied through the issuance of 5,885,238 common shares in the capital of Parkit for $7,633,437, the assumption of a mortgage of $4,445,129, and with the remainder of the purchase price paid with available cash on hand.

CONTRACTUAL OBLIGATIONS AND COMMMITMENTS

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.

During the nine months ended September 30, 2022, the Company contributed $557,692 to Fly Away Parking. The Company does not expect an additional contribution will be made as the Joint Ventures have been restructured for cost and debt servicing.

The Company along with its joint venture partners also provided certain guarantees as collateral for the Joint Venture's mortgage loan for Fly Away Parking. No provision has been accrued by the Company at September 30, 2022 (December 31, 2021- $Nil) with respect to this commitment. See Financial Statement Note 4 for further details.

PROPOSED TRANSACTIONS

Unless otherwise mentioned in the MD&A there are no proposed transactions.

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.

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

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

SECTION 8 – RISKS AND UNCERTAINTIES

In addition to the specific risks discussed in this MD&A, the Company is exposed to various risks and uncertainties, many of which are beyond the control of the Company and could impact the business, financial condition, operating results and prospects. The shareholders should consider these risks and uncertainties when assessing the Company's outlook in terms of investment potential.

The following is an analysis of some key factors that influence the Company's operations:

COVID-19

While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic, and it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak. The economic downturn resulting from the COVID-19 pandemic and government measures to contain it may, in the short or long term, materially adversely impact the Company's industrial and parking operations and financial performance. A recovery in operations will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, increase in government regulations, "lockdowns", and the resulting impact to economies and to the demand. With respect to parking, the recovery of air travel will be an important factor to the parking facilities that primarily service nearby airports. It is difficult to estimate the nature, timing, and extent of the business and economic impact on the Company's financial performance or its ability to raise funds, and this uncertainty could materially affect the Company's operations and financial condition.

Current Economic Environment

Continued concerns about the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, the mortgage market, distressed commercial real estate market and the global outbreak of COVID-19 have contributed to increased market volatility and a weakened business and consumer confidence. Market uncertainty have also adversely impacted on the ability of the Company's tenants and operators to maintain occupancy rates in properties which could harm our financial condition.

Future Financing, Interest Rate and Access to Capital

We may require additional financing in order to fund our operations or business expansion. The Company is subject to risk associated with both debt and equity financing. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Competition

In the real estate business, the Company faces significant competition with developers, managers, and owners of industrial properties competing to acquire properties and also seeking tenants. Some of the competition may be better capitalized and may be strong financially and hence better able to withstand an economic downturn. The competition could negatively affect the Company's ability to lease space and acquire properties which could adversely affect the Company's financial condition.

The Company's parking facilities directly compete with existing parking facilities and results are affected by availability of other facilities servicing the same geographic region. The proximity of competitors that will have an impact on operations varies from type of parking facility (off-airport, stadium, central business district).

Real Property Ownership and Tenant Risks

The Company owns properties in the portfolio and is expected to acquire other real property in the future.

The value of the real property depends on the credit and financial stability of tenants and on minimizing vacancy rates. The Company's financial condition will be affected by the tenants' ability to meet their obligations and the Company's ability to lease vacant space. During the term of a tenants' occupancy, the Company has lease provisions requiring tenants maintain continuous occupancy, but there is no assurance that the tenants will maintain their occupancy. At the end of a lease term, a tenant may not renew their lease and there are no assurances that the tenant will be replaced. The terms of subsequent leases may be less favourable than the existing lease.

Geographic

The Company's investment properties are predominantly located in Ontario in the Toronto and Ottawa region. The Company's performance and the value of the investment properties are sensitive to changes in the economic condition and regulatory environment of Ontario, and any adverse changes in economic condition or regulatory environment may adversely affect its financial condition.

The Company's parking assets are located in the US. The performance of the joint ventures and the value of the parking assets are sensitive to changes in the economic condition and regulatory environment of the US, and any adverse changes in economic condition or regulatory environment may adversely affect its financial condition.

Fixed costs

The Company's investment properties have fixed costs including but not limited to property taxes, maintenance costs, mortgage payments, insurance costs, ongoing servicing costs and capital expenditures. Significant vacancy will have an adverse effect on the Company's financial condition. The timing of capital expenditures may also affect the capital and liquidity of the Company.

Future Acquisitions

As part of our business strategy, the Company plans to grow through identifying acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If the Company is unable to manage growth effectively, it could adversely impact the financial condition of the Company.

Acquisitions and developments rely on the representations and warranties given by third parties to protect against undisclosed, unknown, or unexpected liabilities which may adversely affect the Company's financial condition. The representations and warranties may not adequately protect against all liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. The acquisitions and developments may not meet the Company's expectation of operational or financial performance due to unexpected costs and other unknown items which is inherent to the any real estate acquisition.

Developments

Development and expansion of properties have significant risks including, but not limited to, contractual risks, construction risks, inflation and cost risks, shortages of experience labour, trades and services, and regulation risk associated with entitlements, zoning, and permit approval. The COVID-19 pandemic adds additional risks to the development process which include but are not limited to, potential development delays, fluctuations in costs, slower pace of lease-up, lower sales price and lower property valuation. The effects of the COVID-19 pandemic are uncertain and difficult to predict. There is no certainty to the timing, cost and financial yield of the development activities.

Industry Regulation

There can be no assurances that we may not be negatively affected by changes in Canada, United States, or other legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

Our operations are governed by a broad range of federal, state, provincial and local environmental, health and safety laws and regulations, permits, approvals, common law and other requirements that impose obligations in relation to, among other things: worker health and safety. As such, there are potential liability risks (including potential civil actions, compliance or remediation orders, fines and other penalties) with respect to certain aspects of our businesses.

Cybersecurity Risk

Cybersecurity is an increasing area of focus as the Company relies on digital technologies in its operations. The introduction of work from home, reliance on computers, digital devices, digital storage, banking and other services increase the exposure to cyber related risks. Cyber-attacks can include but are not limited to phishing, virus, cyber extortion, social media fraud, financial theft, identity theft and attacks on personal and sensitive data. The Company has programs, systems and processes to protect against cyberattacks but the results of successful attacks could have an adverse impact on the Company's financial condition.

The Company is continuing to evolve its security protocols and has engaged technology vendors concerning data security, access controls and other programs.

General insured and uninsured risks and potential litigation

The operations of the Company have inherent liability risks. The Company may be the subject of complaints, litigation from tenants, employees or third parties. The damages claimed could be substantial.

The Company carries comprehensive general liability, fire and flood and extended coverage and rental loss insurance with standard policy specifications, limits and deductibles. There can be no assurance that all claims will be covered by the insurance coverage. A successful claim against the Company could materially affect the financial condition of the Company.

Conflicts of Interest

Certain directors and officers are, and may continue to be, involved in consulting activities outside of their roles with the Company. Situations may arise where the other interests of these directors and officers may conflict with our interests. Directors and officers of the Company with conflicts of interest will be subject to and follow the procedures set out in applicable corporate and securities legislation, regulation, rules, and policies.

Dependence on, and Protection of, Key Personnel

We depend on the continued support and involvement of our directors and officers to develop our business and operations, and the services of our key technical, sales, marketing, and management personnel. The Company is also dependent on its property manager and asset manager, ARMS, which manages its investment properties. The loss of any of these key persons or a change to its relationship with ARMS could have a material adverse effect on our business, our results of operations, our ability to implement our business plans, and our financial condition. Our success is also highly dependent on our continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and we cannot provide assurance that we will be able to attract or retain highly qualified personnel in the future. Our inability to attract and retain highly qualified technical, sales, marketing and management personnel may adversely affect our future growth and profitability. It may be necessary for us to increase the level of compensation paid to existing or new employees to a degree that our operating expenses could be materially increased. We do not currently maintain corporate life insurance policies on key employees.

Currency Fluctuations

Our revenue and operating expenses are incurred in Canadian and U.S. dollars. Fluctuations in the exchange rate between the U.S. and Canadian dollar may have a material adverse effect on our business, financial condition, and operating results.

Internal Controls and Procedures

Management of the Company has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements of the Company do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented thereby, and (ii) the financial statements of the Company fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented. However, as a venture issuer, the certifying officers of the Company filing such financial statements do not make any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis disclosure controls and procedures, and internal controls over financial reporting, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk is primarily on its cash and receivables. All of the Company's cash is held with reputable financial institutions. The Company's policy is to deal only with creditworthy counterparties. None of the Company's financial assets are secured by collateral or other credit enhancements.

With respect to the joint venture activities, the main activities are the management fee receivables and distributions from a joint venture partner. In determining expected credit losses from these counterparties, the Company considered estimated future cash-flows of the joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company has credit risk from the possibility that tenants in investment properties may not fulfill their lease or contractual obligations. The Company mitigates its credit risk by attracting tenants of sound financial standing and by diversifying its mix of tenants. The Company also monitors tenant payment patterns and discusses potential tenant issues with property managers on a regular basis. The maximum exposure to credit risk is the carrying value of the accounts receivables disclosed in the financial statements. An impairment analysis is performed at each statement of financial position date using a provision matrix to measure expected credit losses, adjusted for forward-looking factors specific to the tenant and the economic environment. The provision is reduced for tenant security deposits held as collateral.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages maturities of the fixed rate debts, monitors the repayment dates and maintains adequate cash on hand and to ensure sufficient capital will be available to cover obligations as they become due. The Company expects to fund its operations and liabilities through existing cash resources, revenue generated from operations, additional debt and equity financings, and from funds raised through the partial disposition of interests in its assets.

Based on the funds from the private placements and the Company's twelve-month cash flow forecast, the Company has sufficient capital to fund its targeted acquisitions and meet its current obligations and corporate overheads.

Environmental Risk

Environmental risk is inherent in the ownership of real property. Various municipal, provincial and federal regulations can result in penalties or potential liability for remediation should hazardous materials enter the environment. The presence of hazardous substances could also impair the Company's ability to finance or sell the property, or it may expose the Company to civil lawsuits. To mitigate such risk, the Company will procure recent or updated environmental reports for all acquisitions. It also prohibits the storage of hazardous substances as a condition of the rental contract signed by tenants.

Market Risk

a) Interest rate risk

Interest rate risk arises from changes in market interest rates that may affect the fair value of future cash flows from the Company's financial assets or liabilities. The Company is exposed to interest rate risk primarily relating to its long-term debt.

Interest rate risk may be partially mitigated by holding both fixed and floating rate debt, or by staggering the maturities of fixed rate debt. The Company will manage interest rate risk by utilizing fixed interest rates on its mortgages where possible, entering into interest rate swap contracts, staggering maturities over a number of years to mitigate exposure to any single year, and by attempting to ensure access to diverse sources of funding. The Company currently has mainly fixed rate debt or debt hedged with an interest rate swap, with minor exposure to fluctuations on interest rates on its variable rate credit facility. Subsequent to Q3 2022, the Company had entered into a fixed rate swap agreement for the variable credit rate facility, thereby further reducing its exposure to fluctuations in interest rates on its any debt currently held.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, long-term receivable, and its accounts payable and accrued liabilities, denominated in US Dollars.

The Company's main foreign currency risk comes from its investment in joint ventures, where all the parking assets are located in the USA.

c) Price risk

The Company is not exposed to any significant price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.