PARKIT ENTERPRISE INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

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

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

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

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

AS AT	March 31, 2023	December 31, 2022
ASSETS		
Investment properties (note 3)	$ 292,000,792	$ 201,371,966
Investment in equity-accounted investees and long-term receivable (note 4)	13,011,089	13,080,286
Prepaid expenses and other assets (note 5)	2,162,793	4,296,261
Accounts receivable (note 6)	2,286,591	1,414,159
Cash	10,049,939	19,471,763
	$ 319,511,204	**$ 239,634,435**
LIABILITIES AND EQUITY		
Liabilities		
Debt (note 7)	$ 155,714,213	$ 76,353,308
Accounts payable and other liabilities (note 8)	6,931,961	5,127,287
	162,646,174	**81,480,595**
Equity (note 9)		
Share capital	172,749,761	172,901,571
Contributed surplus	4,371,218	4,371,218
Deficit	(20,255,949)	(19,118,949)
	156,865,030	**158,153,840**
	$ 319,511,204	**$ 239,634,435**

Commitments (note 4)
Subsequent events (note 16)

Approved and authorized by the Board on May 11, 2023:

"Steven Scott" Director *"Iqbal Khan"* Director

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

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

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Investment properties revenue	$ 3,559,232	$ 2,110,455
Investment properties expenses	(1,472,953)	(1,242,420)
Net rental income	2,086,279	868,035
Other income		
Share of (loss) profit from equity-accounted investees (note 4)	(69,197)	39,412
Interest and other income	210,533	38,513
	141,336	77,925
Operating expenses		
General and administrative (note 10)	655,393	390,479
Depreciation (note 3)	1,460,207	864,211
Finance costs (note 11)	1,197,381	184,541
	3,312,981	1,439,231
Loss before tax	**(1,085,366)**	**(493,271)**
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (1,085,366)**	**$ (493,271)**
Loss per share attributable to shareholders of the Company:		
Basic	$ (0.00)	$ (0.00)
Diluted	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding:		
Basic	234,003,784	235,286,208
Diluted	234,003,784	235,286,208

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

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

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
OPERATING ACTIVITIES		
Net loss for the period	$ (1,085,366)	$ (493,271)
Items not affecting cash:		
Share of loss (profit) from joint venture	69,197	(39,412)
Unrealized foreign exchange	(345)	26,555
Depreciation	1,460,207	864,211
Finance costs	1,197,381	184,541
Changes in non-cash working capital items:		
Accounts receivable	(872,078)	3,177
Prepaid expenses and deposits	2,133,468	(1,623,084)
Accounts payable and other liabilities	1,976,069	1,975,106
Cash flows from operating activities	4,878,533	897,823
INVESTING ACTIVITIES		
Acquisition of investment properties	(92,528,394)	(15,925,789)
Contributions to joint venture	-	(557,692)
Cash flows used in investing activities	(92,528,394)	(16,483,481)
FINANCING ACTIVITIES		
Proceeds from debt issuance	80,000,000	-
Debt issuance costs	(138,707)	(115,500)
Repayment of debt	(252,969)	(119,461)
Interest paid	(1,176,834)	(180,012)
Share buy-backs	(203,444)	-
Cash flows from (used in) financing activities	78,228,046	(414,973)
Change in cash during the period	(9,421,815)	(16,000,631)
Effect of exchange rate changes on cash	(9)	(3,458)
Cash, beginning of period	19,471,763	21,797,256
CASH, END OF PERIOD	**$ 10,049,939**	**$ 5,793,167**

Supplemental information with respect to cash flows (note 14)

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

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

	Share capital				
	Number	**Amount**	**Contributed Surplus**	**Deficit**	**Total**
Balance, December 31, 2021	234,463,680	$ 168,898,901	$ 3,175,065	$ (13,747,886)	$ 158,326,080
Shares issued – consideration for acquisition of investment properties	2,000,744	2,500,000	-	-	2,500,000
Net loss for the period	-	-	-	(493,271)	(493,271)
Balance, March 31, 2022	**236,464,424**	**$ 171,398,901**	**$ 3,175,065**	**$ (14,241,157)**	**$ 160,332,809**
Shares issued – consideration for acquisition of investment properties	5,885,238	7,633,437	-	-	7,633,437
Purchase and cancellation of common shares under NCIB	(8,299,000)	(6,130,767)	-	(1,891,655)	(8,022,422)
Share-based compensation	-	-	1,196,153	-	1,196,153
Net loss for the period	-	-	-	(2,986,137)	(2,986,137)
Balance, December 31, 2022	**234,050,662**	**172,901,571**	**4,371,218**	**(19,118,949)**	**158,153,840**
Purchase and cancellation of common shares under NCIB (note 9(a))	(205,500)	(151,810)	-	(51,634)	(203,444)
Net loss for the period	-	-	-	(1,085,366)	(1,085,366)
Balance, March 31, 2023	**233,845,162**	**$ 172,749,761**	**$ 4,371,218**	**$ (20,255,949)**	**$ 156,865,030**

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

1. NATURE OF OPERATIONS

Parkit Enterprise Inc. ("Parkit" or the "Company") was incorporated pursuant to the Business Corporations Act (British Columbia) on December 6, 2006. The Company was continued into the Province of Ontario on July 9, 2021. The Company's head office, principal address is 100 Canadian Rd, Toronto, Ontario, Canada, M1R 4Z5, and its registered and records office is Suite 6000, 1 First Canadian Place, 100 King Street West, Toronto, Ontario, Canada, M5X 1E2. Parkit's common shares are listed on TSX Venture Exchange ("TSX-V") (Symbol: PKT).

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and statement of compliance

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

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent fiscal year-end consolidated financial statement, and should be read in conjunction with the Company's consolidated financial statements as of December 31, 2022, which were prepared in accordance with IFRS as issued by the IASB. The accounting policies set out in Note 3 of the Company's audited financial statements as at December 31, 2022 have been applied in preparing these condensed interim consolidated financial statements.

Certain comparative figures in preparing these consolidated financial statements have been reclassified to conform to the current period presentation.

Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires that the Company's management make assumptions and estimates of effects of various future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Estimates are reviewed on an ongoing basis using historical experience and other factors that are considered relevant given the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Actual results may materially differ from these estimates.

A full list of the key sources of estimation uncertainty can be found in the Company's audited consolidated financial statements as of December 31, 2022.

3. INVESTMENT PROPERTIES

Investment properties include industrial properties that are held for long-term rental yields or capital appreciation or both, and that is not occupied by the Company. Investment properties also include property that is being constructed or developed for future use as investment properties.

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 loss.

(Expressed in Canadian Dollars)

3. INVESTMENT PROPERTIES (continued)

		March 31, 2023
Balance at beginning of period	$	201,371,966
Additions:		
Direct acquisitions		90,250,000
Building improvements		1,222,864
Transaction costs and land transfer taxes		616,169
Total additions to investment properties		92,089,033
Changes included in net loss:		
Depreciation		(1,460,207)
Total changes included in net loss		**(1,460,207)**
Balance at end of period (i)(ii)	**$**	**292,000,792**

i. Certain investment properties are pledged as security for debt as of March 31, 2023 (note 7).

ii. See note 15 for additional disclosure on the estimated fair value of the investment properties.

Acquisitions

The Company elected to use the optional concentration test under IFRS 3 to the acquisition of the investment properties for the three months ended March 31, 2023 and concluded that they constitute an acquisition of assets as substantially all of the fair value was concentrated in a single asset.

The Company's investment properties acquisitions for the three months ended March 31, 2023 are detailed below:

		Purchase price	Date acquired
555 Camiel Sys St, Winnipeg, Manitoba	$	5,150,000	March 17, 2023
310 De Baets St, Winnipeg, Manitoba		14,200,000	March 17, 2023
1725 Inkster Blvd, Winnipeg, Manitoba		22,700,000	March 17, 2023
2030 Notre Dame Ave, Winnipeg, Manitoba		13,200,000	March 17, 2023
90-120 Paramount Rd, Winnipeg, Manitoba		3,250,000	March 17, 2023
1345 Redwood Ave, Winnipeg, Manitoba		12,200,000	March 17, 2023
144 Henderson Dr, Regina, Saskatchewan		6,300,000	March 17, 2023
195 Henderson Dr, Regina, Saskatchewan		4,600,000	March 17, 2023
2 Ramm Ave, White City, Saskatchewan		5,550,000	March 17, 2023
859 - 57th Street E, Saskatoon, Saskatchewan		3,100,000	March 17, 2023
Total direct acquisition of investment properties	**$**	**90,250,000**	

Consideration for the $90,250,000 in direct acquisitions for the three months ended March 31, 2023 was satisfied by first mortgage financing of $70,000,000 (note 7) and by the remaining $20,250,000 from cash on hand, of which $3,000,000 was paid from funds held in trust as of December 31, 2022 (note 5).

(Expressed in Canadian Dollars)

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

		March 31, 2023		December 31, 2022
Investment in joint venture	$	11,090,521	$	11,159,718
Investment in associate		620,344		620,344
Long-term receivable		1,300,224		1,300,224
Balance at end of period	**$**	**13,011,089**	**$**	**13,080,286**

Investment in joint venture

Carrying amounts of joint venture

		March 31, 2023
Balance – beginning of period	$	11,159,718
Contributions		-
Share of loss from joint venture		(69,197)
Balance – end of period	**$**	**11,090,521**

Interests in joint venture

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

Name of Joint Venture	Place of Incorporation	Percentage Ownership March 31, 2023	Percentage Ownership December 31, 2022	Principal Activity	Functional Currency
PAVe Admin, LLC	Delaware, USA	50%	50%	Member/Manager of Parking Acquisition Ventures LLC	USD

In April 2015, the Company's subsidiary, Greenswitch America Inc. and Parking Real Estate, LLC ("PRE"), jointly created separate legal entities, Parking Acquisition Ventures, LLC ("PAVe LLC") and PAVe Admin, LLC ("PAVe Admin") to manage and oversee the parking assets of OP Holdings JV, LLC ("OP Holdings"), as an administrator. PAVe Admin is an entity created for legal purposes and consolidates PAVe LLC under IFRS.

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

The Company is entitled to an 82.83% (December 31, 2022 – 82.83%) pro-rata allocation of distributions from OP Holdings to PAVe LLC. PAVe LLC is a 29.45% (December 31, 2022 - 29.45%) equity member of OP Holdings with PAVe LLC accounting for OP Holdings as an investment in associate. OP Holdings holds a portfolio of U.S. based parking facilities, including Canopy Airport Parking ("Canopy"), previously held by the Company's associate Green Park Denver, LLC ("Green Park Denver").

(Expressed in Canadian Dollars)

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

Interests in joint venture (continued)

PAVe LLC also consolidates PAVe Nashville, LLC ("Nashville") which owns Fly Away Parking. Nashville is held by PAVe LLC directly, and is not part of OP Holdings. The Company is entitled to a 50% allocation of distributions from Nashville to PAVe LLC.

Commitments

Pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, the Company has a commitment to contribute up to 5% of any capital call made by the OP Holdings 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. No provision has been accrued by the Company at March 31, 2023 (December 31, 2022- $Nil) with respect to this commitment.

In connection with the acquisition of Fly-Away Parking in October 2015, Greenswitch America together with PAVe and two other parties (collectively the "Borrowers") entered into a loan and security agreement pursuant to which the Borrowers received a bank loan as partial consideration for the acquisition (the "Loan"). In connection with the Loan, the Borrowers have each granted a security interest in all of their present and future assets and property including the property and assets of Fly-Away Parking. The loan bears interest at LIBOR plus 285 basis points and matured on March 31, 2023. As of March 31, 2023, the outstanding principal balance was US$3,912,404. Subsequent to March 31, 2023, the loan was repaid in full (note 16). No provision has been accrued by the Company at March 31, 2023 (December 31, 2022- $Nil) with respect to this commitment.

Summarized financial information of joint venture

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

		March 31, 2023		December 31, 2022
Assets				
Cash	$	472,310	$	377,091
Parking facility		6,059,473		6,120,383
Goodwill		939,480		940,244
Interest in associate		14,201,145		14,291,265
		21,672,408		21,728,983
Liabilities				
Accounts payable		237,880		106,937
Borrowings		6,144,058		6,293,113
		6,381,938		6,400,050
Net assets of joint venture		**15,290,470**		**15,328,933**
Net assets attributable to the Company (i) (ii)	**$**	**12,305,766**	**$**	**12,385,058**
Investment in joint venture (iii)	**$**	**11,090,521**	**$**	**11,159,718**

(Expressed in Canadian Dollars)

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

Summarized financial information of joint venture (continued)

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

		For the three months ended March 31, 2023		For the three months ended March 31, 2022
Property revenue	$	753,017	$	633,590
Property expenses		(568,986)		(553,738)
Net property profit		184,031		79,852
Depreciation expense		(72,714)		(62,940)
Mortgage interest expense		(119,716)		(59,379)
Loss from property operations		(8,399)		(42,467)
(Loss) profit from associate		(78,473)		73,217
(Loss) profit	$	(86,872)	$	30,750
Share of (loss) profit from joint venture (iv)	**$**	**(69,197)**	**$**	**39,412**

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

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

iv. The Company, based on its membership in the OP Holdings joint venture and Fly Away Parking joint venture, is entitled to profits (losses) on the investments included in the joint ventures ranging from 50% to 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.

Investment in Associate

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

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

(Expressed in Canadian Dollars)

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

Investment in Associate (continued)

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

There was no activity for the three months ended March 31, 2023.

Long-term receivable

		March 31, 2023		December 31, 2022
Advances to PRE	$	1,300,224	$	1,300,224
Balance at end of period	**$**	**1,300,224**	**$**	**1,300,224**

At the inception of the joint ventures, the Company advanced funds to Parking Real Estate, LLC ("PRE"), a joint venture partner, for the purpose of PRE funding investments in income-producing properties and related costs of acquisition. As at March 31, 2023, the balance of the advance to PRE was $1,300,224 (US$960,000) to be repaid upon disposition of certain investments or parking assets.

5. PREPAID EXPENSES AND OTHER ASSETS

		March 31, 2023		December 31, 2022
Current:				
Prepaid expenses and deposits	$	2,162,793	$	1,296,261
Funds held in trust [(i)]		-	$	3,000,000
Balance at end of period	**$**	**2,162,793**	**$**	**4,296,261**

i. As at December 31, 2022, the Company paid $3,000,000 in trust which was applied against the final purchase price of investment property acquisitions completed on March 17, 2023 (note 3).

(Expressed in Canadian Dollars)

6. ACCOUNTS RECEIVABLE

		March 31, 2023		December 31, 2022
Current:				
Rent receivable on investment properties	$	54,968	$	588
Accrued tax, maintenance and insurance recoveries		390,696		327,276
Management fees		11,503		60,812
Other receivables		1,233,497		536,220
		1,690,664		924,896
Non-current:				
Straight-line rent adjustments		595,927		489,263
	$	**2,286,591**	**$**	**1,414,159**

7. DEBT

The following table summarizes the debt as of March 31, 2023 and December 31, 2022.

	March 31, 2023				December 31, 2022			
	Rate Range	**Weighted Average**		**Balance**	**Rate Range**	**Weighted average**		**Balance**
Mortgages:								
At amortized cost - Fixed	2.31% to 5.68%	3.65%	$	18,959,535	2.31% to 5.68%	3.65%	$	19,101,546
	Maturity: Jan 2024 to Dec 2025				*Maturity: Jan 2024 to Dec 2025*			
At FVTPL - Mortgage				13,831,621				14,180,064
- Fixed via Interest rate swap (ii)				(888,577)				(1,126,061)
		3.56%		12,943,044		3.56%		13,054,003
	Maturity: May 2025 to Nov 2029				*Maturity: May 2025 to Nov 2029*			
Credit facilities:								
At FVTPL - Credit facilities (vi)				124,553,388				45,121,773
- Fixed via Interest rate swap (v)				(53,388)				(621,773)
		5.49%		124,500,000		5.42%		44,500,000
	Maturity: Jan 2025				*Maturity: Jan 2025*			
Total Debt (i)		**5.11%**		**156,402,579**		**4.66%**		**76,655,549**
Financing costs, net (iii)				(688,366)				(302,241)
Carrying value (iv)			$	**155,714,213**			$	**76,353,308**

(Expressed in Canadian Dollars)

7. DEBT (continued)

i. The mortgages are collateralized by a first charge on certain investment properties (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 4.48% to 4.52% 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 March 31, 2023, the interest rate swap on mortgages was in a net asset position of $888,577 (December 31, 2022 – asset position $1,126,061).

iii. The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization of $208,875 as at March 31, 2023 (December 31, 2022 - $143,536).

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

v. The Company has entered into a series of swap agreements to fix the interest rate of between 5.10% to 5.72% on the $124,500,000 combined revolving and 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. Additionally, the bank has entered into interest swap cancellation agreements, allowing them to cancel the original swap agreements at specified dates, ranging between January 28, 2025 and December 10, 2025. As of March 31, 2023, the interest rate swap on mortgages was in a net asset position amounting to $53,388 (December 31, 2022 – asset position $621,773).

vi. Included in the credit facilities is a revolving line of credit of $55,000,000, of which $34,500,000 has been drawn upon. The interest rate on the available line of credit is not fixed and will be based on the prevailing variable interest rate.

The following table provides a continuity of total debt for the three months ended March 31, 2023.

		March 31, 2023
Balance at beginning of period	$	76,353,308
Debt issuance (i)		80,000,000
Debt issuance costs		(422,957)
Debt repayment (i),		(252,970)
Change in fair value of mortgage payable measured at FVTPL		(805,869)
Change in fair value of interest rate swap		805,869
Amortization of debt issuance costs		36,832
Balance at end of period	**$**	**155,714,213**

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

(Expressed in Canadian Dollars)

7. DEBT (continued)

Principal repayments on mortgages are estimated as follows:

		Total
2023	$	967,609
2024 (i)		8,557,192
2025 (i)		139,187,560
2026		299,646
2027		310,272
Thereafter (i)		7,080,300
	$	**156,402,579**

i. Includes debt balance due at maturity.

8. ACCOUNTS PAYABLE AND OTHER LIABILITIES

		March 31, 2023		December 31, 2022
Current:				
Accounts payable and accrued liabilities	$	4,401,999	$	3,688,683
Rents received in advance		1,036,907		241,509
Accrued interest on debt (note 7)		57,347		73,632
		5,496,253		4,003,824
Non-current:				
Tenant deposits		1,435,708		1,123,463
Total	**$**	**6,931,961**	**$**	**5,127,287**

9. EQUITY

a) Authorized

Unlimited common shares, without par value.

Normal Course Issuer Bid Program

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 Company, representing 5% of the common shares outstanding. In March 2023, the Company renewed the NCIB program to purchase for cancellation, during the 12-month period starting March 24, 2023, up to 11,692,258 of the outstanding common shares of the Company, representing 5% of the common shares outstanding. The program will end on March 23, 2024, unless the maximum amount of common shares is purchased before then 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. The Company intends to fund the purchases out of available cash.

During the three months ended March 31, 2023, the Company purchased and cancelled 205,500 common shares pursuant to its NCIB for a total of $203,444 at an average price of $0.99 per share. The Company's share capital was reduced by $151,810 for the average carrying value of the shares purchased for cancellation with the excess of $51,634 paid over the average carrying value recognized as an increase in deficit.

(Expressed in Canadian Dollars)

9. EQUITY (continued)

b) Stock Options

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at December 31, 2022	7,400,000	$ 1.50
Granted	3,525,000	1.05
Balance as at March 31, 2023	**10,925,000**	**$1.35**

On January 19, 2023, the Company granted 3,525,000 stock options to directors, officers, employees and consultants of the Company. The stock options were fully vested on the grant date, have a 10-year term, and are exercisable at a price of $1.05 per share. In connection with this grant of 3,525,000 stock options, the Company recognized share-based compensation expense in the consolidated statements of operations and comprehensive loss of $Nil for the three months ended March 31, 2023, and $1,196,153 as at December 31, 2022. The fair value of $0.34 per option was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions: $1.05 exercise price and share price at grant date; expected stock option life of 4 years; expected volatility of 34%; risk-free interest rate of 3.55%; and dividend yield of 0%.

As at March 31, 2023, the following stock options were outstanding and exercisable:

Exercise Price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
$1.05	7,400,000	7,400,000	9.06
$1.50	3,525,000	3,525,000	7.73
	10,925,000	**10,925,000**	8.16

(Expressed in Canadian Dollars)

10. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Management salaries and fees (note 12)	$ 168,948	$ 114,711
Director fees (note 12)	36,000	42,000
Professional fees	342,723	38,161
Other administrative expenses	108,067	168,810
Foreign exchange (gain) loss	(345)	26,797
Total	**$ 655,393**	**$ 390,479**

11. FINANCE COSTS

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Interest expense on debt (note 7)	$ 1,160,549	$ 179,623
Amortization of debt issuance costs (note 7)	36,832	4,918
Unrealized change in fair value on mortgage payable (note 7)	(805,869)	523,099
Unrealized change in fair value interest rate swap (note 7)	805,869	(523,099)
Total	**$ 1,197,381**	**$ 184,541**

(Expressed in Canadian Dollars)

12. 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 March 31, 2023		For the three months ended March 31, 2022
Total for all senior management				
Salaries, fees, and short-term benefits	$	88,532	$	60,720
Total for all directors				
Fees		36,000		42,000
Total	**$**	**124,532**	**$**	**102,720**

Transactions with related parties

Included in accounts payable and accrued liabilities as of March 31, 2023 is $72,000 due to officers and directors for director fees and expense reimbursements (December 31, 2022 - $42,126).

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, including accounting, financial, property and executive management.

- For the three months ended March 31, 2023, the Company incurred property management fees and other rental and general operating expenses totaling $572,117 from ARMS and its related companies (three months ended March 31, 2022 - $518,371), of which $65,432 of key management personnel compensation was included in the table above (March 31, 2022 - $37,620).

- For the three months ended March 31, 2023, $937,000 of construction costs incurred through ARMS and its related companies have been capitalized to investment properties (three months ended March 31, 2022 - $557,036).

- Amounts due to and from ARMS and its related companies at March 31, 2023 includes $2,912,328 in accounts payable and accrued liabilities (December 31, 2022 - 2,949,331), and $1,102,951 in accounts receivable (December 31, 2022 - $574,728).

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (continued)

For the three months ended March 31, 2023, the Company earned $344,243 in investment properties revenues from leases with companies controlled by two directors of the Company (three months ended March 31, 2022 - $256,656).

13. SEGMENTED INFORMATION

The Company operates in two reportable business segments:

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

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

For the three months ended March 31, 2023	**Investment Properties**	**Parking Assets**	**Corporate**	**Total**
Investment properties revenue	$ 3,559,232	$ -	$ -	$ 3,559,232
Investment properties expenses	(1,472,953)	-	-	(1,472,953)
Net rental income	2,086,279	-	-	2,086,279
Other income (loss)				
Share of (loss) or profit from equity-accounted investees	-	(69,197)		(69,197)
Interest and other income	-	33,477	177,056	210,533
	-	(35,720)	177,056	141,336
Other expenses				
General and administrative expenses	-	-	655,393	655,393
Depreciation	-	-	1,460,207	1,460,207
Finance costs	-	-	1,197,381	1,197,381
	-	-	3,312,981	3,312,981
Income or (loss) before tax	**2,086,279**	**(35,720)**	**(3,135,925)**	**(1,085,366)**
NET INCOME (LOSS)	$ **2,086,279**	$ **(35,720)**	$ **(3,135,925)**	$ **(1,085,366)**
Additions:				
Investment properties	$ 92,089,033	$ -	$ -	$ 92,089,033

(Expressed in Canadian Dollars)

13. SEGMENTED INFORMATION (continued)

For the three months ended March 31, 2022	Investment Properties	Parking Assets	Corporate	Total
Investment properties revenue	$ 2,110,455	$ -	$ -	$ 2,110,455
Investment properties expenses	(1,242,420)	-	-	(1,242,420)
Net rental income	868,035	-	-	868,035
Other income				
Share of profit from equity-accounted investees	-	39,412	-	39,412
Interest and other income	-	31,338	7,175	38,513
	-	70,750	7,175	77,925
Other expenses				
General and administrative expenses	-	-	390,479	390,479
Depreciation	-	-	864,211	864,211
Finance costs	-	-	184,541	184,541
	-	-	1,439,231	1,439,231
Income or (loss) before tax	**-**	**-**	**(1,432,056)**	**(493,271)**
NET INCOME (LOSS)	**$ 868,035**	**$ 70,750**	**$ (1,432,056)**	**$ (493,271)**
Additions:				
Investment properties	$ 18,103,721	$ -	$ -	$ 18,103,721

14. SUPPLEMENTAL INFORMATION WITH RESPECT TO CASH FLOWS

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Cash paid for taxes:	$ -	$ 319
Non-cash transactions:		
Asset Acquisitions		
Acquisition of investment properties	-	(2,500,000)
Share capital issued for investment properties acquisition	-	2,500,000
Amounts included in accounts payable and other liabilities		
Additions to investment properties	1,515,711	578,229
Debt issuance costs	284,250	-
Amounts included in prepaid expenses and other assets		
Debt issuance costs	-	(115,500)

(Expressed in Canadian Dollars)

15. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with level 1 inputs having the highest priority. The levels used to value the Company's financial assets and liabilities are described below.

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly, i.e. as prices, or indirectly, i.e. derived from prices.
- Level 3 – Inputs for the asset or liability that are not based on an observable market, i.e. unobservable inputs.

The fair value of the Company's accounts receivable, long-term receivable, and accounts payable and accrued liabilities, accrued interest, and tenant deposits approximate carrying value, which is the amount recorded on the consolidated statements of financial position.

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

	Fair Value Hierarchy	Carrying Amount	Fair Value
Financial assets measured at fair value:			
Cash	Level 1	$ 10,049,939	$ 10,049,939
Non-financial assets for which fair value is disclosed:			
Investment properties – cost model	Level 3	292,000,792	345,886,035
Financial liabilities measured at fair value:			
Debt at FVTPL – mortgages and credit facilities	Level 2	138,385,009	138,385,009
Interest rate swaps	Level 2	(941,965)	(941,965)
Financial liabilities for which fair value is disclosed:			
Debt at amortized cost - mortgages and credit facilities	Level 3	18,959,535	18,147,919

Valuation processes for investment property

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

- a valuation using the income capitalization approach, which is calculated with a stabilized net operating income and capitalized at the requisite overall capitalization rate; or
- the discounted cash flow approach, which discounts the expected future cash flows, including a terminal value, based on the application of a terminal capitalization rate to the assumed final year's estimated cash flows, or
- a direct comparison method, which is the primary method of appraising investment properties consisting solely of land. Recent sales of parcels of land, similar in terms of physical characteristics, and location are compared to the subject property to determine a representative value for the unit of comparison, i.e. sale price per acre.

(Expressed in Canadian Dollars)

15. FAIR VALUE MEASUREMENTS (continued)

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

The Company's management team is responsible for determining the fair value measurements on a quarterly basis, including verifying all major inputs included in the valuation and reviewing the results. The Company's management, along with its Audit Committee, discuss the valuation process and key inputs on a quarterly basis. At March 31, 2023, a weighted average of 63% of the fair market value of the investment properties were appraised within the last year by qualified external valuators who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. The fair value of the remaining portfolio of investment properties was determined internally by the Company's management team by individuals who are knowledgeable and have specialized industry experience in real estate valuations, with support from external valuation professionals, using similar assumptions and valuation principles as used by external appraisers.

The significant and unobservable level 3 valuations metrics used in the methods at March 31, 2023 are set out in the table below for investment properties consisting of land and building:

	Range (%)	Weighted Average (%)
Income capitalization method		
Stabilized capitalization rate	3.60-7.75	5.40
Discounted cash flow method		
Terminal capitalization rate	5.25–7.25	5.75
Discount rate	6.00–8.00	6.57

Sensitivities on assumptions:

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

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

Changes in the capitalization rates and discount rates would result in a change to the fair value of the investment properties as set out below as at March 31, 2023:

		(Decrease) Increase
Income capitalization method:		
Weighted average stabilized capitalization rate:		
25-basis point increase	$	(7,624,498)
25-basis point decrease		8,632,190
Discounted cash flow method:		
Weighted average terminal capitalization rate:		
25-basis point increase		(4,202,088)
25-basis point decrease		4,588,158
Weighted average discount rate:		
25-basis point increase		(3,199,556)
25-basis point decrease		3,278,043

15. FAIR VALUE MEASUREMENTS (continued)

Valuation processes for financial liabilities measured at FVTPL

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

Valuation processes for financial liabilities measured at amortized cost

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

16. SUBSEQUENT EVENTS

Subsequent to March 31, 2023, the Company announced that it completed the acquisition of the remaining 50% interest in Fly Away Airport Parking in Nashville Tennessee from an arm's length vendor for an aggregate purchase price of $3,550,000 USD, subject to customary adjustments. The purchase price was paid with funds on hand which included paying down the debt on Fly Away Airport Parking. With this Acquisition, the Company now owns 100% of Fly Away Airport Parking.