PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2023

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This Management's Discussion and Analysis ("MD&A") is prepared as of May 11th, 2023 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 months ended March 31, 2023 ("Q1"). This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements and accompanying notes for the three months ended March 31, 2023 (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 May 11, 2023.

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", “outlook”, “objective”, “strategy”, “will”, ”would”, “expect”, “intend”, “estimate”, “anticipate”, “could”, “likely”, “project”, “budget”, "should", "plan", "believe", "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, inflation, interest rates and stock market volatility
- The impact of the COVID-19 pandemic (“COVID-19”) on operations (see “Risks and Uncertainties”)
- 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, share-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 months ended March 31, 2023. There has been no change in significant accounting policies from the Company's audited consolidated annual financial statements from December 31, 2022. 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, 2022.

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 urban markets in Canada, to complement its parking assets across the United States of America ("USA").

Business Update

In Q1, Parkit continued its transformation into an industrial real estate platform by continuing development of its expansion properties, actively driving leasing activity through lease extensions, and streamlining property operations.

In March 2023, the Company acquired a portfolio of 10 industrial properties located in Winnipeg and Saskatchewan from an arm's length vendor, with approximately 800,000 square feet of leasable area and 55 acres of land, for an aggregate purchase price of $90,250,000. The purchase price was satisfied through a mortgage and cash on hand.

The acquisition into central Canada represents an expansion in geography for Parkit, which previously had focused on the GTA+, Ottawa and Montreal. The new industrial properties provide scale, are strategically located within industrial parks, include a diverse tenant base, have tenancies below market rents, have a runway for rental growth, and have medium-length lease terms. The Winnipeg, Regina, and Saskatoon markets currently have historically low vacancy rates between 1.4-2.0% and have a limited supply of industrial space coming to the market. In these markets, the rental rate growth has increased significantly with avg asking net rents increasing 21% year over year ("y/y") in Winnipeg, increasing 7% y/y in Regina, and have remained stable y/y in Saskatoon. The portfolio will generate value by adding significant in-place cash flows, strong rent growth and the ability to expand into stable new markets.

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 industrial properties are focused on the light industrial sector which is a vital part of the Canadian economy and is a stable long-term asset class with numerous opportunities for growth. The Company's portfolio includes warehouses, distribution facilities, and light manufacturing with a mix of single and multi-tenant properties. Parkit's target properties have low rent volatility and high tenant retention, reduced operating costs, generic and highly in demand space, low capital maintenance, minor leasehold improvements and minimal tenant inducement costs.

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 future 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.

Subsequent to March 31, 2023, the Company announced that it completed the acquisition of the remaining 50% interest in Fly Away Parking 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.

Joint Venture Operations

The Company had a loss of $69,197 from equity accounted investees for the three months ended March 31, 2023, compared to a profit of $39,412 for the three months ended March 31, 2022. The results reflect a loss in both OP Holdings and Fly-Away Nashville. The OP Holdings joint ventures loss resulted from seasonality for revenues and an increase in financing costs and the Fly-Away Parking's loss was a result of increased financing costs in Q1. With the acquisition of the remaining 50% interest in Fly Away Parking, Fly-Away Parking results will improve without the financing cost burden. The Company expects the OP Holdings results to improve as Q1 is a seasonally weak quarter. The Company's share of profit or loss from the Joint Ventures are summarized in the Financial Statements, Note 4.

Business Outlook

In Q1, the Company continued to advance its development projects, maximize its leasing activity, and improve property management operations. Parkit's significant acquisition in Winnipeg and Saskatchewan adds significant scale to the company and will boost revenue and cash flows. The 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 the 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.

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 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 • registered with Energy Star to monitor energy use and minimize environmental footprint • participation in Earth Day and other initiatives to bring awareness to environmental issues • utilization of solar panels and planning for the expansion of solar panels • review of solar opportunities with availability of new 30% investment tax credit • 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 March 31, 2023		Three months ended March 31, 2022
Operating Results				
Revenue from investment properties	$	3,559,232	$	2,110,455
Net rental income	$	2,086,279	$	868,035
Share of (loss) profit – equity-accounted investees	$	(69,197)	$	39,412
Net loss	$	(1,085,366)	$	(493,271)
Net loss per share	$	(0.00)	$	(0.00)
Funds from Operations	$	443,693	$	358,325
FFO per share	$	0.00	$	0.00
Weighted Avg shares outstanding		234,003,784		235,286,208
Liquidity and Leverage				
Cash	$	10,049,939	$	5,793,167
Working capital	$	7,978,144	$	4,961,786
Total assets	$	319,511,204	$	181,046,654
Total debt (loans and borrowings)	$	155,714,213	$	17,011,671
Total equity	$	156,865,030	$	160,056,425
Weighted avg mortgage term (years)		2.88		4.90
Weighted avg effective mortgage rate [1]		4.88%		3.52%
Investment properties				
Properties acquired		10		2
Number of properties (cumulative)		23		10
Site area (acres) (cumulative)		129.1		60.9
In-place gross leasable area (“GLA”) (sf) [2,3]		1,879,141		934,935
Expansion GLA in development (sf) (iv) [4]		271,050		271,050
GLA after Stabilized & Expansion (sf)		2,150,191		1,205,985
In-place occupancy rate [5]		100%		100%
Average in-place net rent [6]		$11.02		$12.61
Weighted average lease term (“WALT”) (years)		4.7		4.8

1. The weighted average effective mortgage rate is the effective interest rate of each debt, over its maturity
2. For the three months ended March 31, 2022, in-place GLA is split into stabilized in-place GLA of 776,625 sf and development in-place GLA of 158,310 sf
3. For the three months ended March 31, 2023, in-place GLA is split into stabilized in-place GLA of 1,600,480 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
6. The average in-place rent without 1485 Speers Rd is $9.50, see Leasing Activity below
7. Square feet (“sf”)

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SECTION 4 – DISCUSSION OF OPERATIONS

Segmented Information

The Company operates in two reportable business segments as at March 31, 2023:

- 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 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

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 or 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	**868,035**	**70,750**	**(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

Financial results for the three months ended March 31, 2023 and 2022

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 rose to $3,559,232 for the three months ended March 31, 2023, compared to $2,110,455 for the three months ended March 31, 2022. 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 increased to $1,472,953 for the three months ended March 31, 2023, compared to $1,242,420 for the three months ended March 31, 2022. The increase in expenses from investment properties is due to the acquisitions made by the Company. The investment properties expenses increased at a lower rate than revenues as a result of the stabilization of certain investment properties and improving margins.

Net rental income increased to $2,086,279 for the three months ended March 31, 2023, compared to $868,035 for the three months ended March 31, 2022. The increase in net rental income is due to the acquisitions made by the Company. The net rental income increased at a higher rate than revenues as the Company's margins continue to increase as a result of new leases and properties stabilizing.

The gross margin in Q1 improved from prior quarters, as the Company commenced new leases and minimized its costs for in-transition and in-development properties. The stabilized investment properties are properties with long-term leases in place, while in-development & in-transition properties include properties that are in the planning, development stage or are transitioning to a different use. In-development and in-transition properties may have holding income, however, the revenue and income are variable.

Stabilized properties		In-transition and in-development properties
• 5600 Finch Ave East	• 555 Camiel Sys St	• 415 Legget Dr (ii)
• 4390 Paletta Crt	• 310 De Baets St	• 568 Second St (ii)
• 1165 Kenaston St	• 1725 Inkster Blvd	• 720 Tapscott Rd
• 1151-1181 Parisien St	• 2030 Notre Dame Ave	
• 1665 Blvd Lionel-Bertrand	• 90-120 Paramount Rd	
• 5610 Finch Ave East (i)	• 1345 Redwood Ave	
• 3455 Mainway Dr	• 144 Henderson Dr	
• 5300 Harvester Rd	• 195 Henderson Dr	
• 1155 Lola St	• 2 Ramm Ave	
• 1485 Speers Rd	• 859 - 57th Street E	

(i) 5610 Finch Ave East is stabilized with a mid-term lease until the properties move to development in mid-2025
(ii) 415 Legget Dr and 568 Second St are repositioning, the properties may have interim revenue during this process

For the three months ended March 31, 2023		Stabilized Properties		In-Transition and In-Development Properties (i)		Total
Investment property revenue	$	3,443,272	$	115,960	$	3,559,232
Investment property expenses		(1,065,872)		(407,081)		(1,472,953)
Net Rental Income (Loss)	$	**2,377,400**	**$**	**(291,121)**	**$**	**2,086,279**
Gross Margin		**69%**		**(251%)**		**59%**

For the three months ended March 31, 2022		Stabilized Properties		In-Transition and In Development Properties (i)		Total
Investment property revenue	$	1,821,498	$	288,957	$	2,110,455
Investment property expenses		(676,584)		(565,836)		(1,242,420)
Net Rental Income (Loss)	$	**1,144,914**	**$**	**(276,879)**	**$**	**868,035**
Gross Margin		**63%**		**(96%)**		**41%**

(i) 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.

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 $1,300,224 ($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 was a loss of $69,197 for the three months ended March 31, 2023, compared to a gain of $39,412 for the three months ended March 31, 2022 as a results of seasonality and increased financing costs. 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 should improve throughout the year, though increased financing costs will limit the overall results.

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 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.

General and Administrative Expenses

General and administrative expenses increased to $655,393 for the three months ended March 31, 2023, compared to $390,479 for the three months ended March 31, 2022. The increase was due to additional professional fees business activity.

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 $1,460,207 for the three months ended March 31, 2023, compared to $864,211 for the three months ended March 31, 2022. 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 $1,197,381 for the three months ended March 31, 2023, compared to $184,541 for the three months ended March 31, 2022. The increase in finance costs is due to the additional debt held by the Company in the three months ended March 31, 2023.

Net Loss

The net loss was $1,085,366 for the three months ended March 31, 2023, compared to net loss of $493,271 for the three months ended March 31, 2022. 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.

Funds from Operations ("FFO")

		Three months ended March 31, 2023		Three months ended March 31, 2022
Net loss and comprehensive loss	$	(1,085,366)	$	(493,271)
Add / (Deduct):				
Share of loss (gain) from equity-accounted investees		69,197		(39,412)
Depreciation		1,460,207		864,211
Foreign exchange		(345)		26,797
FFO	**$**	**443,693**	**$**	**358,325**
FFO per share	**$**	**0.00**	**$**	**0.00**

The FFO for the three months ended March 31, 2023 was $443,693, compared to an FFO of $358,325 for the three months ended March 31, 2022. The increase in FFO comes from the operations of investment properties as the Company onboarded more industrial real estate assets offset by the higher financing cost for the period.

Investment Properties - Acquisitions

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

Property Address	Number of properties	GLA	Cost	Date acquired
555 Camiel Sys Street, Winnipeg, MB	1	24,665	$ 5,150,000	March 17, 2023
310 De Baets Street, Winnipeg, MB	1	74,196	14,200,000	March 17, 2023
1725 Inkster Blvd, Winnipeg, MB	1	268,732	22,700,000	March 17, 2023
2030 Notre Dame Ave, Winnipeg, MB	1	112,549	13,200,000	March 17, 2023
90-120 Paramount Rd, Winnipeg, MB	1	32,720	3,250,000	March 17, 2023
1345 Redwood Ave, Winnipeg, MB	1	112,132	12,200,000	March 17, 2023
144 Henderson Dr, Saskatchewan, SK	1	66,446	6,300,000	March 17, 2023
195 Henderson Dr, Saskatchewan, SK	1	30,984	4,600,000	March 17, 2023
2 Ramm Ave, Saskatchewan, SK	1	63,996	5,550,000	March 17, 2023
859 - 57th Street E, Saskatoon, SK	1	17,920	3,100,000	March 17, 2023
For the three months ended March 31, 2023	**10**	**804,340**	**$ 90,250,000**	
For the year ended December 31, 2022	**5**	**279,413**	**$ 57,913,437**	
For the year ended December 31, 2021	**6**	**565,646**	**$ 100,633,400**	

In-Development Properties

The following table summarizes the Company's ongoing in-development projects as at March 31, 2023:

Property	Planned GLA	Ownership	Comment
Planning and permitting stage			
5610 Finch Ave East & 720 Tapscott Rd	121,050	100%	Construction to commence in 2025
415 Legget Dr, Ottawa, Ontario	150,000	100%	Construction to commence in 2024
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 extended construction to begin in 2025 as their current tenant extended its lease term by 1 year.

The Company plans to develop 415 Legget Dr, by a) repositioning the property from a flexible office and warehouse to a combination of light industrial and warehouse and b) adding at least 150,000 sq feet of light industrial and warehouse on the property. The Company expects to finish repositioning 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 March 31, 2023, Parkit owns and operates a portfolio of 23 industrial assets totaling 1,879,141 sf of GLA with an additional 271,050 sf planned in future expansions.

The Company leases industrial properties to tenants under operating leases. In Q1, the Company had 100% collections and the stabilized properties are 100% tenanted.

As at March 31, 2023, the Company's tenants operate in a variety of industries, with no one tenant accounting for more than 6.0% of total GLA. The Company's portfolio of 23 industrial assets has 59 tenants.

As at March 31, 2023, the Company has an in-place and committed occupancy of 100% for 20 stabilized properties. 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 $11.02 per sf and $9.50 per sf without 1485 Speers Rd compared with market rents of $13.28 per sf in Q1 of 2023[1].

Portfolio as at March 31, 2023	**Total GLA**	**Average in-place base rent (per sf)**	**Estimated market rent (per sf)**	**WALT**
Greater Toronto Area +, Ontario	435,556	$15.48	$17.77	4.9 years
Ottawa, Ontario and Montreal, Quebec	360,584	$11.67	$14.41	5.7 years
Winnipeg, Manitoba and Saskatchewan	804,340	$7.69	$10.35	4.2 years
Total Portfolio	1,600,480	$11.02	$13.28	4.7 years
GTA+ without 1485 Speers, ON	362,056	$11.01	$17.77	2.9 years
Total Portfolio without 1485 Speers, ON	1,526,980	$9.50	$13.07	4.2 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 sf.

(ii) Without Speers, the GTA plus portfolio would have an average in-place base rent of $11.01 and a WALT of 2.9 years, the GTA plus portfolio still has significant rent growth when we exclude 1485 Speers Rd.

(iii) Total GLA for Portfolio excludes in development assets of 278,661 sf.

[1] Per CBRE and Colliers – Canada Q1 2023 Quarterly Statistics

Leasing Activity – Renewals

In Q1, the Company extended 54,853 sf of space on an interim basis in Toronto at a net rental rate averaging $12.03 per sf, which was 21% 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 March 31, 2023	54,853	21%
For 3 months ended December 31, 2022	6,852	48%
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

For the year ended December 31, 2022, the Company signed new lease deals.

- Q4 2022, Parkit signed a 10-year lease for 55,547 sf at 1665 B Lionel-Bertrand starting at $10.07 net psf
- Q4 2022, Parkit signed a 10-year lease for 3,311 sf at 1155 Lola St starting at $18.00 net psf
- Q1 2022, Parkit signed a 15-year lease for 73,500 sf at 1485 Speers Rd starting at $17.00 net psf
- Q1 2022, Parkit signed a 2-year lease for 54,852 sf at 5610 Finch Ave East starting at $10.00 net psf

Lease Maturity

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

Portfolio as at March 31, 2023	**Vacancy**	**2023**	**2024**	**2025**	**2026**	**2027+**
Total vacancy / renewal (sf)	-	59,383	243,865	233,990	89,884	973,358
Total stabilized GLA (i)						1,600,480
Percentage of stabilized GLA	-	4%	15%	15%	6%	60%

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

PARKIT
ENTERPRISE INC

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 March 31, 2023	Three months ended December 31, 2022	Three months ended September 30, 2022	Three months ended June 30, 2022
Investment properties revenue	$ 3,559,232	$ 3,420,394	$ 2,846,709	$ 2,691,836
Investment properties expense	(1,472,953)	(1,368,760)	(1,256,850)	(1,317,655)
Net rental income	**2,086,279**	**2,051,634**	**1,589,859**	**1,374,181**
Other income (loss)				
Share of profit (loss) from equity investees (ii)	(69,197)	(205,553)	160,236	204,680
Interest and other income	210,533	142,304	69,651	49,567
	141,336	**(63,249)**	**229,887**	**254,247**
Other expenses				
General and administrative	655,393	682,227	376,062	534,307
Share-based compensation	-	1,196,153	-	-
Depreciation	1,460,207	1,847,082	959,906	916,643
Finance costs	1,197,381	895,825	660,961	433,855
	3,312,981	**4,621,287**	**1,996,929**	**1,884,805**
Income (loss) before tax	**(1,085,366)**	**(2,632,902)**	**(177,183)**	**(256,377)**
Income tax recovery (expense)	-	80,644	-	(319)
Net profit (loss) and comprehensive profit (loss)	**$ (1,085,366)**	**$ (2,552,258)**	**$ (177,183)**	**$ (256,696)**
Per share – basic and diluted	**$ (0.00)**	**$ (0.01)**	**$ (0.00)**	**$ (0.00)**

	Three months ended March 31, 2022	Three months ended December 31, 2021	Three months ended September 30, 2021	Three months ended June 30, 2021
Investment properties revenue	$ 2,110,455	$ 2,115,089	$ 1,741,371	$ 1,327,495
Investment properties expense	(1,242,420)	(1,000,960)	(694,785)	(527,922)
Net rental income	**868,035**	**1,114,129**	**1,046,586**	**799,573**
Other income (loss)				
Share of profit (loss) from equity investees (ii)	39,412	30,769	(6,547)	2,400
Interest and other income	38,513	58,483	71,485	86,790
	77,925	**89,252**	**64,938**	**89,190**
Other expenses (income)				
General and administrative	390,479	305,919	362,617	306,741
Transaction costs (i)	-	(1,793,739)	689,838	-
Share-based compensation	-	1,507,545	-	1,667,520
Depreciation	864,211	807,597	562,434	409,310
Finance costs	**184,541**	176,124	174,945	176,430
	1,439,231	**1,003,446**	**1,789,834**	**2,560,001**
Income (loss) before tax	-	**199,935**	**(678,310)**	**(1,671,238)**
Income tax recovery (expense)	-	-	-	(12,530)
Net profit (loss) and comprehensive profit (loss)	**$ (493,271)**	**$ 199,935**	**$ (678,310)**	**$ (1,683,768)**
Per share – basic and diluted	**$ (0.00)**	**$ 0.00**	**$ (0.00)**	**$ (0.01)**

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

(ii) The Company's share of profit from equity investees has steadily increased as the effects of COVID-19 subside. For the quarter ending December 31, 2022, the equity investees had a loss due to one-time costs to restructure the debt in the joint venture. For the quarter ending March 31, 2023, the loss was a result of higher financing cost and seasonality.

(iii) Investment properties revenues and expenses increase with the addition of investment properties, new leases and lease extensions

SECTION 6 – LIQUIDITY AND CAPITAL RESOURCES

	Balance at March 31, 2023	Balance at December 31, 2022	Balance at December 31, 2021
Liquidity and Leverage			
Cash	$ 10,049,939	$ 19,471,763	$ 21,797,256
Working capital	$ 7,978,144	$ 20,153,434	$ 20,698,840
Total assets	$ 319,511,204	$ 239,634,435	$ 177,640,703
Total debt (loans and borrowings)	$ 155,714,213	$ 76,353,308	$ 17,126,214
Total equity	$ 156,865,030	$ 158,153,840	$ 158,326,080

Cash

Cash decreased to $10,049,939 as at March 31, 2023 from $19,471,763 as at December 31, 2022. 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 $7,978,144 as at March 31, 2023 from $20,153,434 as at December 31, 2022. The decrease is a result of the decrease in cash for the period.

Total Assets

Total assets increased to $319,511,204 as at March 31, 2023 from $239,634,435 as at December 31, 2022. 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 $155,714,213 as at March 31, 2023 from $76,353,308 as at December 31, 2022. The increase is a result of new debt being received from additional credit facilities less the repayment of mortgage principal.

Total Equity

Total equity decreased to $156,865,030 as at March 31, 2023 from $158,153,840 as at December 31, 2022. The decrease is a result of 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 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**

i. The mortgages are collateralized by a first charge 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 Financial Statement 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 as at March 31, 2023. 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

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.

SHARES OUTSTANDING

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

- 233,845,162 issued and outstanding common shares (March 31, 2023 – 233,845,162)
- 10,925,000 common share stock options outstanding (March 31, 2023 – 10,925,000)

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, 2022	234,050,662	$ 172,901,571
Purchased and cancellation of common shares under NCIB	(205,500)	(151,810)
Balance as at March 31, 2023	**233,845,162**	**$ 172,749,761**

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 at 5% of the common shares outstanding. In March 2023, the Company has received conditional approval to renew its NCIB to purchase up to 11,692,258 common shares of the Company, for the 12-months period ending March 23, 2024, representing 5% of the common shares outstanding. 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 $203,445 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.

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**

Joint Venture Debt and Cash Obligations

During 2022, the Company renegotiated the existing debt within the OPH Joint Venture, which extended the debt 5 years to 2027. The Company does not expect additional cash contributions on its OP Holdings joint venture. With

the acquisition of its 50% remaining interest in Fly Away Parking, the Company does not expect any additional cash contributions for the asset.

Liquidity

The Company is in a strong position to strategically acquire assets which will be provide long-term growth in cash flows and net asset value.

The available liquidity of the Company is summarized as follows:

	March 31, 2023	December 31, 2022
FV of unencumbered assets available to be encumbered	$ 8,891,217	$ 53,193,297
Estimated borrowing capacity on unencumbered assets (i)	4,890,169	29,256,313
Cash	10,049,939	19,471,763
Available financing based on commitment letter (ii)	20,500,000	10,500,000
Additional estimated borrowing capacity (above)	4,890,169	29,256,313
Estimated available liquidity (iii)	$ 35,440,108	$ 59,228,076

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

ii. During the three months ended March 31, 2023, the Company signed a commitment letter with a bank for a three-year 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. See financial statement note 7 for more details.

iii. For March 31, 2023, the estimated available liquidity was $35,440,108, compared to $59,228,076 for December 31, 2022. The available liquidity decreased due to the Company purchasing $90,250,000 in direct acquisitions of investment properties and making $203,444 in acquisitions under NCIB for the three months ended March 31, 2023. 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 for periods ended:

	March 31, 2023	March 31, 2022
Cash flows from operating activities	$ 4,878,533	$ 897,823
Cash flows used in investing activities	(92,528,394)	(16,483,481)
Cash flows from financing activities	78,228,046	(414,973)
(Decrease) increase in cash and cash equivalents	(9,421,815)	(16,000,631)
Foreign exchange effect on cash	(9)	(3,458)
Cash balance, beginning of the period	19,471,763	21,797,256
Cash balance, end of period	**$ 10,049,939**	**$ 5,793,167**

Operating Activities:

The Company received net cash of $4,878,533 in operating activities for the three months ended March 31, 2023, compared to cash flow from operations of $897,823 for the three months ended March 31, 2022. Without changes in working capital, the Company received net cash of $1,641,074 from operating activities for the three months ended March 31, 2023, compared to cash flows from operations of $542,624 for the three months ended March 31, 2022. The increase in operating cash flows is a result of higher revenues from investment properties offset with cash used for working capital.

Investing Activities:

The Company used net cash of $92,528,394 in investing activities for the three months ended March 31, 2023, compared to cash used of $16,483,481 for the three months ended March 31, 2022. The increase in net cash used is a result of larger acquisitions being made in the three months ended March 31, 2023.

Financing Activities:

The Company received net cash of $78,228,046 from financing activities for the three months ended March 31, 2023, compared to cash used of $414,973 for the three months ended March 31, 2022. The increase in cash received was 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.

SECTION 7 – DISCLOSURES

OFF BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

None.

RELATED PARTY TRANSACTIONS

The Company enters into related party transactions from time to time in the normal course of operations. Such transactions are generally recorded at the exchange amount, which is the amount of consideration agreed to by the parties.

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).

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).

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 three months ended March 31, 2023, the Company did not contribute to its joint ventures. 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 March 31, 2023 (December 31, 2022 - $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

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. 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 impact 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 parking operations and financial performance.

The recovery in operations will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19 and related variants. 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.

If inflation rises above the central banks' targets or persists for an extended period, the central banks may increase interest rates, which could have a more pronounced negative impact on the Company's variable rate debt and future results. During high inflation periods, annual rent increases may not keep up with inflation, leading to increased costs and potentially affecting tenants' ability to pay rent and the Company's ability to increase rents.

Furthermore, significant inflationary pressures and increased costs could adversely impact the Company's tenants if their operating expenses rise faster than their revenue, potentially affecting the Company's financial condition. Additionally, increased inflation could increase the costs of future development projects, potentially reducing profitability if higher rents cannot be obtained from prospective tenants.

Regarding real estate purchases, the Company faces the risk that if the real estate market fails to attract the same level of capital investment or investors seeking to acquire properties decrease, the value of its investments may not appreciate or may depreciate. Economic slowdowns or downturns could also materially and adversely affect the Company's operations and 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 in a timely manner. The terms of subsequent leases may be less favourable than the existing lease.

Geographic

The Company's investment properties are predominantly located in Canada. The Company's performance and the value of the investment properties are sensitive to changes in the economic condition and regulatory environment of Canada, 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 experienced 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 increases the exposure to cyber-related risks. Cyberattacks 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 and litigation from tenants, employees or third parties. The damages claimed could be substantial.

The Company carries comprehensive general liability, fire, flood, 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.

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.