PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

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This Management's Discussion and Analysis ("MD&A") is prepared as of May 7th, 2024, 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, 2024 ("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, 2024 (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 7th, 2024.

SECTION 1 – BASIS OF PRESENTATION

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 "anticipate", "believe", "budget", "could", "continue", "estimate", "expect", "intend", "likely", "may", "objective", "outlook", "plan", "potential", "predict", "project", "should", "strategy", "will", "would" 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 revenue, cost, market information (including price)
- Expectations regarding the ability to raise capital
- Treatment under governmental regulatory jurisdictions

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 other factors discussed under “Risks and Uncertainties”

Readers 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 industrial properties revenue less industrial properties 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. Real Property Association of Canada (“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.

MATERIAL ACCOUNTING POLICIES

The Company’s material accounting policies are described in Note 2 to its unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024. There has been no change in material accounting policies from the Company’s audited consolidated annual financial statements from December 31, 2023. 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, 2023.

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. In addition, Parkit has parking assets across various markets in the United States of America ("USA").

Business Update

In Q1 2024, Parkit continued to grow its industrial real estate platform by continuing development of its expansion properties, actively driving leasing activity through lease extensions, and streamlining property operations. Parkit has remained disciplined while evaluating new acquisitions as the cost of capital continues to increase and the bid-ask spread on accretive acquisitions remains wide.

Subsequent to the Q1 2024, Parkit acquired a property consisting of an 82,640 sf of industrial warehouse located close to the Winnipeg Richardson International Airport on 4.6 acres of land at 961-975 Sherwin Rd, Winnipeg, Manitoba, for a purchase price of $6.3 million. The purchase price was satisfied through cash on hand.

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 its financial statements, it is expected that this value will be reflected through growing future cash flow.

Parking Properties and Joint Ventures

The Company holds a direct investment in a joint venture which manages various parking assets. As asset manager and investor in parking facilities, the Company has multiple sources of revenue (management fees, acquisition fees, and earnings in equity).

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 (Denver International Airport)

Fly Away Parking, Nashville

In April 2023, the Company completed the acquisition of the remaining 50% interest in Fly Away Airport Parking ("Fly Away Parking"), an off-airport parking facility located near the Nashville International Airport, with Parkit purchasing 100% of Fly Away Parking for a gross enterprise value of $9,813,092 through its subsidiary Parkit Nashville, LLC. The proceeds for the acquisition were used to repay debt and obligations with the balance being distributed. Parkit received a distribution of $2,424,999 for its initial 50% interest.

Parking update

The Company had a loss from equity-accounted investees of $122,438 for the three months ended March 31, 2024, compared to a loss of $69,197 for the three months ended March 31, 2023. The increase in loss is a result of additional costs for the parking operations. The Company expects the results to improve in the balance of the year as the first quarter has seasonal demand. The Company's share of income or loss from the Joint Ventures are summarized in the Financial Statements Note 5.

For the Company's Nashville Fly Away Parking results, the Company had revenue of $764,418 and net operating income of $181,431 for the three months ended March 31, 2024. The current results reflect an increase in both revenue and net operating income compared to the prior year results for Fly Away Parking, which is a result of a growing market in Nashville, TN and streamlined operations.

Overall, the parking results were strong for Parkit's direct parking asset. The Company will continue to work with its joint venture partners to improve the operations and will look for opportunities to generate value from its parking investment.

BUSINESS OUTLOOK

In the Company's key markets, the fundamentals remain strong quarter over quarter with low availability rates and increasing asking rental rates.

	Net asking rents (psf)[1]		Availability rates [1,2]	
Key market	**Q1 2024**	**Q4 2023**	**Q1 2024**	**Q4 2023**
Toronto, ON	$18.09	$18.25	3.3%	2.7%
Montreal, QC	$16.03	$16.42	3.5%	3.0%
Ottawa, ON	$15.58	$15.44	2.6%	2.6%
Winnipeg, MB	$10.76	$10.89	2.8%	2.5%
Regina, SK	$11.66	$11.26	1.9%	1.6%

The capitalization rates for industrial properties have remained steady in most markets with a slight increase in other markets due to small upticks 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.

Subsequent to Q1, Parkit continue to invest in Winnipeg by adding a new asset stabilized revenues and cash flows to the portfolio. The Company closed Q1 with 1,600,480 sf in stabilized gross leasable area with in-place escalations and tenants continuing to renew leases at market rates. The Company will continue to advance its development projects, maximize its leasing activity and improve property management operations.

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1 Per CBRE and Colliers – Canada Q1 2024 Quarterly Statistics
2 The rates displayed for Regina, SK represent vacancy rates as at the abovementioned dates

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
- Canopy Airport Parking, located in Denver, Colorado is LEED-certified Gold and Green Garage Certified
- 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 to energy-efficient lighting and exterior LED lighting for safety
- use of low-flow toilets
- exploring for and applying for incentives for energy, water, and waste audits
- review of American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standards and Indoor Air Quality testing where needed
- installation of new water feed to reduce overall water consumption at certain properties
- paperless administration including cloud-based systems and records distribution

Social

- 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 Committees is majority independent and the Governance & Compensation in entirely independent
- significant board and management ownership at over 39%

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SECTION 3 – FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

Select Financial Information (Unaudited)		**Three months ended March 31, 2024**		**Three months ended March 31, 2023**
Operating results				
Investment properties revenue	$	6,058,520	$	3,559,232
Net rental income	$	4,030,416	$	2,086,279
Net parking and equity-accounted income (loss)	$	58,993	$	(69,197)
Net profit (loss)	$	164,871	$	(1,085,366)
Net profit (loss) per share	$	0.00	$	(0.00)
Funds from operations	$	1,379,969	$	443,693
FFO per share	$	0.01	$	0.00
Weighted avg shares outstanding		227,890,810		234,003,784
Liquidity and leverage				
Cash	$	11,203,806	$	10,049,939
Working capital	$	12,061,795	$	7,978,144
Total assets	$	324,019,779	$	319,511,204
Total debt (loans and borrowings)	$	168,737,691	$	155,714,213
Total equity	$	149,347,327	$	156,865,030
Weighted avg mortgage term (years)		2.35		2.88
Weighted avg effective interest rate [1]		5.35%		4.88%
Investment properties				
Properties acquired		0		10
Number of properties (cumulative)		23		23
Site area (acres) (cumulative)		129.1		129.1
In-place gross leasable area ("GLA") (sf) [2,3]		1,872,480		1,879,141
Expansion GLA in development (sf) (iv) [4]		271,050		271,050
GLA after stabilized & expansion (sf)		2,143,530		2,150,191
In-place occupancy rate [5]		99%		100%
Average in-place net rent		$11.70		$11.02
Weighted average lease term ("WALT") (years)		4.3		4.7

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, 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
3. For the three months ended March 31, 2024, in-place GLA is split into stabilized in-place GLA of 1,600,480 sf and development in-place GLA of 272,000 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. 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, 2024:

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

For the three months ended March 31, 2024	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	$ 6,058,520	$ -	$ -	$ 6,058,520
Investment properties expenses	(2,028,104)	-	-	(2,028,104)
Net rental income	**4,030,416**	**-**	**-**	**4,030,416**
Other income				
Parking properties revenue	-	764,418	-	764,418
Parking properties expenses	-	(582,987)	-	(582,987)
Share of loss from equity-accounted investees	-	(122,438)	-	(122,438)
	-	**58,993**	**-**	**58,993**
Other expenses				
General and administrative expenses and other income	-	(33,368)	684,364	650,996
Unrealized gain on derivative financial instruments	-	-	(1,090,173)	(1,090,173)
Depreciation	-	-	2,123,134	2,123,134
Finance costs	-	-	2,240,581	2,240,581
	-	**(33,368)**	**3,957,906**	**3,924,538**
NET INCOME (LOSS)	**$ 4,030,416**	**$ 92,361**	**$ (3,957,906)**	**$ 164,871**
Additions:				
Investment properties	$ 338,263	$ -	$ -	$ 338,263

For the three months ended March 31, 2023	Investment properties	Parking properties	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 loss				
Share of loss from equity-accounted investees	-	(69,197)	-	(69,197)
	-	**(69,197)**	**-**	**(69,197)**
Other expenses				
General and administrative expenses and other income	-	(33,477)	478,337	444,860
Depreciation	-	-	1,460,207	1,460,207
Finance costs	-	-	1,197,381	1,197,381
	-	**(33,477)**	**3,135,925**	**3,102,448**
NET INCOME (LOSS)	**$ 2,086,279**	**$ (35,720)**	**$ (3,135,925)**	**$ (1,085,366)**
Additions:				
Investment properties	$ 92,089,033	$ -	$ -	$ 92,089,033

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

Investment properties operating results

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 $6,058,520 for the three months ended March 31, 2024, compared to $3,559,232 for the three months ended March 31, 2023. 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 $2,028,104 for the three months ended March 31, 2024, compared to $1,472,953 for the three months ended March 31, 2023. 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 $4,030,416 for the three months ended March 31, 2024, compared to $2,086,279 for the three months ended March 31, 2023. The net rental income increased as the Company commenced new leases, minimized its costs for in-transition and in-development properties, and onboarded a portfolio of stabilized assets in Winnipeg and Saskatchewan. The stabilized investment properties are properties with long-term leases in place, while in-development and in-transition properties include properties that are in the planning, development stage or are transitioning to a different use.

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 medium 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.

Investment properties results by property status

For the three months ended March 31, 2024		Stabilized properties		In-transition and in-development properties (i)		Total
Investment properties revenue	$	5,888,490	$	170,030	$	6,058,520
Investment properties expenses		(1,738,212)		(289,892)		(2,028,104)
Net rental income (loss)	$	**4,150,278**	$	**(119,862)**	$	**4,030,416**
Gross margin		**70.5%**		**N/A**		**66.5%**

For the three months ended March 31, 2023		Stabilized properties		In-transition and in development properties (i)		Total
Investment properties revenue	$	3,443,272	$	115,960	$	3,559,232
Investment properties expenses		(1,065,872)		(407,081)		(1,472,953)
Net rental income (loss)	$	**2,377,400**	$	**(291,121)**	$	**2,086,279**
Gross margin		**69.0%**		**N/A**		**58.6%**

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

Parking properties operating results

Parkit's parking properties operating results include its share of profit from equity-accounted investees and the parking net operating income. The share of profit 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 (Up to the date of Fly Away Parking's disposition)

- The Company's share of income (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 $1,300,800 ($960,000 USD) is to be repaid upon disposition of certain investments or parking properties.

The share of income and loss from equity-accounted investees was a loss of $122,438 for the three months ended March 31, 2024, compared to a loss of $69,197 for the three months ended March 31, 2023. The share in the loss from the Joint Ventures, reflects the Company's equity participation of the income and loss from PAVe LLC (OP Holdings and Fly Away Parking, until its disposition of the latter from the joint venture in April 2023). The quarterly loss as a result of the OP Holdings' performance due to seasonality during the first quarter of 2024. The Company expects the results to improve in the balance of the year.

Summarized financial information of joint venture

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

		March 31, 2024		December 31, 2023
Assets				
Other current assets	$	12,425	$	12,128
Interest in associate		14,346,974		14,148,931
		14,359,399		**14,161,059**
Liabilities				
Accounts payable		20,003		19,525
Net assets of joint venture		**14,339,396**		**14,141,534**
Net assets attributable to the Company (i) (ii)	**$**	**11,910,333**	**$**	**11,745,653**
Investment in joint venture (iii)	**$**	**9,407,729**	**$**	**9,530,167**

The details of the Joint Ventures are detailed below and can also be found in Note 5 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, 2024		For the three months ended March 31, 2023
Parking properties revenue	$	-	$	753,017
Parking properties expenses		-		(568,986)
Net parking properties profit		-		**184,031**
Depreciation expense		-		(72,714)
Mortgage interest expense		-		(119,716)
Loss from property operations (iv)		-		**(8,399)**
Loss from associate		(147,821)		(78,473)
Net loss	$	**(147,821)**	**$**	**(86,872)**
Share of loss from joint venture	**$**	**(122,438)**	**$**	**(69,197)**

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. The Company, based on its membership in PAVe LLC, 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.

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. Parking properties revenues and expenses for the three months ended March 31, 2024 are now consolidated as in the statement of operation. In March 2023, the company held Fly Away Parking in its joint venture.

The operations of Nashville Fly Away Parking translated using average exchange rates for the period are summarized as follows:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Parking properties revenue	$ 764,418	$ -
Parking properties expenses	(582,987)	-
Parking properties net operating income	**$ 181,431**	**$ -**
Gross margin	**23.7%**	**-**

The current results reflect an increase in both revenue and net operating income compared to the prior year results for Fly Away Parking, which were held in a joint venture. The financial results are stable as the company continues to streamline operations.

Unrealized gain on derivative of financial instruments

The Company recognized an unrealized gain on derivative financial instruments of $1,090,173 as a result of new swap instruments to fix its interest rates for the three months ended March 31, 2024, compared to $Nil for the three months ended March 31, 2023.

General and administrative expenses and other income

General and administrative expenses and other income increase to $650,996 for the three months ended March 31, 2024, compared to $444,860 for the three months ended March 31, 2023. This increase is primarily due to higher salaries allocated towards accounting and administrative fees, with a reduction in finance income during the period further contributing to the overall increase in expenses and income.

Depreciation

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

The depreciation was $2,123,134 for the three months ended March 31, 2024, compared to $1,460,207 for the three months ended March 31, 2023. The increase in depreciation is due to the number of real estate and equipment assets held by the Company up to the end of the period.

Finance costs

The finance costs were $2,240,581 for the three months ended March 31, 2024, compared to $1,197,381 for the three months ended March 31, 2023. The increase in finance costs is due to the additional debt held by the Company during the period. The Company used swaps to fix interest rates on its debt with a weighted average effective interest rate of 5.35% and an average term to maturity of 2.35 years.

Net income and loss

The net income was $164,871 for the three months ended March 31, 2024, compared to a net loss of $1,085,366 for the three months ended March 31, 2023. The change is a result of an increase in net rental income and unrealized gain on derivative financial instruments, offset by increases to general and administration expenses, depreciation and finance costs.

Funds from operations ("FFO")

		Three months ended March 31, 2024		Three months ended March 31, 2023
Net income (loss) and comprehensive income (loss)	$	164,871	$	(1,085,366)
Add / (Deduct):				
Share of loss from equity-accounted investees		122,438		69,197
Depreciation		2,123,134		1,460,207
Unrealized gain on derivative financial instruments		(1,090,173)		-
Foreign exchange		59,699		(345)
FFO	**$**	**1,379,969**	**$**	**443,693**
FFO per share	**$**	**0.01**	**$**	**0.00**

The FFO for the three months ended March 31, 2024 was $1,379,969, compared to an FFO of $443,693 for the three months ended March 31, 2023. The increase in FFO primarily attributed to the net profit, partially offset by increased losses from equity-accounted investees and higher depreciation.

Investment properties - acquisitions

The Company's investment properties acquisitions for the three months ended March 31, 2024 are detailed below:

Property address	Number of properties	GLA		Cost	Date acquired
For the three months ended March 31, 2024	**-**	**-**		**-**	
For the year ended December 31, 2023	**10**	**804,340**	**$**	**90,250,000**	
For the year ended December 31, 2022	**5**	**279,413**	**$**	**57,913,437**	

In-development properties

The following table summarizes the Company's ongoing in-development projects as at March 31, 2024:

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 2024/2025
568 Second St, London, Ontario	-	100%	Repositioning site from office to industrial. Residential zoning approval as an alternative.
Total	**271,050**		

The Company continues to advance its development plans at 5610 Finch Avenue East and 720 Tapscott Rd where the Company plans to add at least 121,050 sq feet and resulting with at least 175,000 sq feet at these two properties. The

Company extended construction to 2025 as the current tenant extended its lease term to Q1 2025.

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 has received site plan approval and are targeting construction at the end of 2024 or early 2025.

The Company received municipal approval to rezone 568 Second St to high density residential housing while pursuing interim rental revenue while it continues the entitlement process.

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 assets, but in a manner that minimizes risk to the Company. The Company's development focus is where capitalization rates are at lows and in areas where the market remains undersupplied.

Investment properties portfolio

As of March 31, 2024, Parkit owns and operates a portfolio of 23 investment properties totaling 1,872,480 sf of GLA with an additional 271,050 sf planned in future expansions.

The Company leases investment properties to tenants under operating leases. In Q1, the Company had 100% collections and the stabilized properties are 99% tenanted.

As at March 31, 2024, the Company's tenants operate in a variety of industries, with no one tenant accounting for more than 5.9% of total GLA. The Company's portfolio of 23 investment properties has 59 tenants.

As at March 31, 2024, the Company has an in-place and committed occupancy of 99% for 20 stabilized properties. The Company has 3 other properties under development with short-term income. The stabilized properties have an average in-place net rent for the portfolio of $11.70 per square feet compared with the weighted average market rents of $13.96 per square feet for the portfolio in Q1 of 2024[1].

Portfolio as at March 31, 2024	**Total GLA**	**Average in-place base rent (per sf)**	**Estimated market rent (per sf)**	**WALT**
Greater Toronto Area +, Ontario	435,556	$16.17	$18.09	5.3 years
Ottawa, Ontario and Montreal, Quebec	360,584	$11.91	$15.69	4.8 years
Total Ontario and Quebec properties	796,140	$14.40	$17.00	5.1 years
Winnipeg, Manitoba and Saskatchewan	804,340	$ 7.83	$10.96	3.4 years
Total Portfolio	1,600,480	$11.70	$13.96	4.3 years

(i) Total GLA for portfolio excludes in-development assets of 272,000 sf.

Leasing activity – renewals

	Renewal Total

[1] Per CBRE and Colliers – Canada Q1 2024 Quarterly Statistics

	GLA	Rental rate growth (%)
For 3 months ended March 31, 2024	-	-
For 3 months ended December 31, 2023	9,362	73%
For 3 months ended September 30, 2023	62,505	127%
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%

Leasing activity – new deals

The Company signed the following new lease deals for each respective period:

- Q1 2024, Parkit signed a 15-year lease for 25,000 sf at 415 Legget Dr starting at $10.00 net psf
- Q1 2024, Parkit signed a 3-year lease for 4,384 sf at 4390 Paletta Crt starting at $10.00 net psf
- Q4 2023, Parkit signed a 15-year lease for 25,000 sf at 415 Legget Dr starting at $10.00 net psf
- Q4 2023, Parkit signed a 5-year lease for 4,528 sf at 90 Paramount Rd starting at $8.50 net psf
- Q3 2023, Parkit signed a 5-year lease for 7,914 sf at 4390 Paletta Crt starting at $15.15 net psf
- Q2 2023, Parkit signed a 5-year lease for 27,182 sf at 5600 Finch Ave E starting at $15.95 net psf

Lease maturity

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

Portfolio as at March 31, 2024	**Vacancy**	**2024**	**2025**	**2026**	**2027**	**2028+**	**Total (i)**
Total vacancy / renewal (sf)	24,665	105,175	284,315	89,884	335,276	761,165	1,600,480
Percentage of stabilized GLA	1%	7%	18%	6%	21%	47%	

(i) Includes stabilized properties, total GLA excludes 272,000 sf for 415 Legget Dr, 568 Second St and 720 Tapscott Rd, which are in transition.

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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, 2024	Three months ended December 31, 2023	Three months ended September 30, 2023	Three months ended June 30, 2023
Investment properties revenue	$ 6,058,520	$ 5,832,682	$ 5,671,599	$ 5,669,831
Investment properties expense	(2,028,104)	(1,913,494)	(1,844,984)	(2,114,593)
Net rental income (i)	**4,030,416**	**3,919,188**	**3,826,615**	**3,555,238**
Other income (loss)				
Parking properties revenue (ii)	764,418	801,406	914,200	677,523
Parking properties expense	(582,987)	(578,817)	(608,857)	(453,045)
Share of (loss) profit from equity investees (iii)	(122,438)	(1,173,548)	59,951	1,978,241
	58,993	**(950,959)**	**365,294**	**2,202,719**
Other expenses				
General and admin and other income (iv)	650,996	497,973	790,325	423,231
Share-based compensation (v)	-	455,936	-	-
Depreciation	2,123,134	2,116,524	2,028,486	2,103,510
Unrealized (gain) loss on derivative of financial instruments (vi)	(1,090,173)	1,965,707	-	-
Finance costs (vii)	2,240,581	2,176,008	2,167,037	2,200,045
	3,924,538	**7,212,148**	**4,985,848**	**4,726,786**
Income (loss) before tax	**164,871**	**(4,243,919)**	**(793,939)**	**1,031,171**
Income tax recovery (expense)	-	336	-	(336)
Net income (loss) and comprehensive income (loss)	**$ 164,871**	**$ (4,243,583)**	**$ (793,939)**	**$ 1,030,835**
Per share – basic and diluted	**$ 0.00**	**$ (0.02)**	**$ (0.00)**	**$ 0.00**

(i) Net rental income has continued to increase with the Company onboarding new investment properties, signing leases and renewing tenants.
(ii) As of Q2 2023, the Company consolidated its 100% interest in Fly Away Parking. Parking results have improved with a growing market in Nashville, TN, streamlined operations, and less financing costs.
(iii) In Q2 2023, the Company reported a profit from its joint ventures resulting from a gain on its sale of its 50% interest in Fly Away Parking. In Q3 2023, the Company had a profit from its joint ventures as a result of more stabilized operating results. In Q4 2023, the loss is a result of a reversal of 50% of the gain on sale relating to the Company's 50% ownership in the joint venture.
(iv) In Q3 2023, general and admin expenses increased as a result of one-time costs and an unrealized increase in foreign exchange.
(v) In Q4 2023, the share-based compensation decreased from the same period in 2022 because fewer options issued and a lower Black-Scholes valuation was calculated for each option issued.
(vi) In Q4 2023, the Company recorded derivative loss pertaining to its swaps on its credit facility.
(vii) The finance costs have remained steady from Q2 2023 to Q1 2024 as the company has used swaps to fix its exposure to interest rate risk.

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		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 [(i)]		**2,086,279**		**2,051,634**		**1,589,859**		**1,374,181**
Other income (loss)								
Share of (loss) profit from equity investees [(ii)]		(69,197)		(205,553)		160,236		204,680
		(69,197)		**(205,553)**		**160,236**		**204,680**
Other expenses								
General and administrative and other income		444,860		539,923		306,411		484,740
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
		3,102,448		**4,478,983**		**1,927,278**		**1,835,238**
Income (loss) before tax		**(1,085,366)**		**(2,632,902)**		**(177,183)**		**(256,377)**
Income tax recovery (expense)		-		80,644		-		(319)
Net loss and comprehensive loss	**$**	**(1,085,366)**	**$**	**(2,552,258)**	**$**	**(177,183)**	**$**	**(256,696)**
Per share – basic and diluted	**$**	**(0.00)**	**$**	**(0.01)**	**$**	**(0.00)**	**$**	**(0.00)**

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

(ii) In Q1 2023, the Company had a loss from its joint ventures resulting from higher financing costs and seasonality in the joint ventures operations. 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.

SECTION 6 – LIQUIDITY AND CAPITAL RESOURCES

	Balance at March 31, 2024	Balance at December 31, 2023	Balance at December 31, 2022
Liquidity and Leverage			
Cash	$ 11,203,806	$ 10,556,555	$ 19,471,763
Working capital	$ 12,061,795	$ 10,376,174	$ 20,153,434
Total assets	$ 324,019,779	$ 324,532,991	$ 239,634,435
Total debt (loans and borrowings)	$ 168,737,691	$ 168,435,521	$ 76,353,308
Total equity	$ 149,347,327	$ 149,187,430	$ 158,153,840

Cash

Cash increased to $11,203,806 as at March 31, 2024 from $10,556,555 as at December 31, 2023. The increase is a result of cash from operations for the period less its financing costs and repayment of debt obligations.

Working capital

Working capital increased to $12,061,795 as at March 31, 2024 from $10,376,174 as at December 31, 2023. The increase is a result of cash from operations for the period less its financing costs and repayment of debt obligations.

Total assets

Total assets decreased to $324,019,779 as at March 31, 2024 from $324,532,991 as at December 31, 2023. The decrease is a result of amortization of its investment properties.

Total debt

Total debt increased to $168,737,691 as at March 31, 2024 from $168,435,521 as at December 31, 2023. The increase is a result of new debt being received from additional credit facilities less the repayment of mortgage principal.

Total equity

Total equity increased to $149,347,327 as at March 31, 2024 from $149,187,430 as at December 31, 2023. The increase is a result of the net profit for the period and shares repurchased as part of the Company's NCIB program.

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, 2024		December 31, 2023
FV of unencumbered assets available to be encumbered	$	8,872,000	$	8,872,000
Estimated borrowing capacity on unencumbered assets (i)		4,879,600		4,879,600
Cash		11,203,806		10,556,555
Available financing based on existing credit facilities (ii)		14,500,000		14,859,366
Additional estimated borrowing capacity (above)		4,879,600		4,879,600
Estimated available liquidity (iii)	**$**	**30,583,406**	**$**	**30,295,521**

i. The estimated borrowing capacity is calculated at 55% of the value of the unencumbered assets.

ii. The Company signed a commitment letter with a bank for a three-year revolving line of credit of $55,000,000, of which $40,500,000 has been drawn and $14,500,000 is available. See Financial Statement Note 8 for more details.

iii. As at March 31, 2024, the estimated available liquidity was $30,583,406, compared to $30,295,521 as at December 31, 2023. The available liquidity increased as the Company's operational cash flows provided additional liquidity by increasing cash positions. The Company expects to use a combination of the estimated available liquidity, proceeds from debt and issuance of shares to acquire future investment properties.

DEBT SUMMARY

The following table summarizes the debt as of March 31, 2024 and December 31, 2023.

	March 31, 2024			December 31, 2023		
	Rate range	**Weighted average**	**Balance**	**Rate range**	**Weighted average**	**Balance**
Mortgages:						
At amortized cost - fixed [(i)]	2.31% to 6.87%	5.10%	$ 26,392,321	2.31% to 6.87%	5.08%	$ 26,416,958
	Maturity: Dec 2025 to Dec 2030			*Maturity: Dec 2025 to Dec 2030*		
At FVTPL - Mortgage			13,388,829			13,402,311
- Fixed via interest rate swap [(ii)]			(899,215)			(797,718)
		3.56%	12,489,614		3.56%	12,604,593
	Maturity: May 2025 to Nov 2029			*Maturity: May 2025 to Nov 2029*		
Credit facilities:						
At FVTPL - Credit facilities [(iii, iv)]		7.29%	6,000,000		7.45%	5,640,634
At FVTPL - Credit facilities [(iii)]			126,848,426			126,535,849
- Fixed via interest rate swap [(v)]			(2,348,426)			(2,035,849)
		5.49%	124,500,000		5.49%	124,500,000
	Maturity: Jan 2025 to Mar 2026			*Maturity: Jan 2025 to Mar 2026*		
Total debt [(vi)]		**5.35%**	**169,381,935**		**5.35%**	**169,162,185**
Financing costs, net [(vii)]			(644,244)			(726,664)
Carrying value [(viii)]			**$ 168,737,691**			**$ 168,435,521**

i. Included in these figures is a mortgage payable in USD, with a balance of $4,233,842 as at March 31, 2024 (December 31, 2023 – $4,250,000 USD) with an amortization period of 25 years. The remainder of the mortgages are payable in CAD with an amortization period of 25 years.

ii. The mortgage models a fixed rate mortgage with a set interest rate of 3.49% to 3.69%, amortizing with fixed monthly payments over 20 to 25 years, with a term of 5 to 10 years. 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 swaps have been accounted for at FVTPL. As at March 31, 2024, the interest rate swap on mortgages (note 9) was in a net asset position of $899,215 (December 31, 2023 – $797,718).

iii. Included in the credit facilities is a revolving line of credit of $55,000,000 of which $40,500,000 has been drawn upon at March 31, 2024 (December 31, 2023 – $55,000,000 line of credit with $40,140,634 drawn), resulting in a remaining line of credit available of $14,500,000 (December 31, 2023 – $14,859,366). The interest rate applicable to the available line of credit will be determined in accordance with the prevailing variable interest rate.

iv. The balance includes a USD balance of $nil as at March 31, 2024 (December 31, 2023 – USD $3,501,969 ($4,640,634 CAD)).

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 2025 to March 2026. The swap contracts require settlement of net interest receivable or payable every 30 days and have been accounted for at FVTPL. As of March 31, 2024, the interest rate swap on mortgages was in a financial asset position amounting to $2,348,426 (December 31, 2023 – financial asset position $2,035,849). The unrealized fair value of the swap position after loan maturity is detailed in the Financial Statement Note 9.

vi. The mortgages are collateralized by first charges on specific investment properties (Financial Statement Note 3) and parking properties (Financial Statement Note 4).

vii. The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization of $493,993 as at March 31, 2024 (December 31, 2023 – $415,443).

viii. See Financial Statement Note 17 for additional disclosure on the estimated fair value of the debt.

The following table provides a continuity of total debt for the three months ended March 31, 2024:

	March 31, 2024	December 31, 2023
Balance at beginning of period	$ 168,435,521	$ 76,353,308
Debt issuance [(i)]	359,366	101,224,337
Debt issuance costs	(469)	(702,580)
Debt repayment [(i)]	(258,555)	(8,765,885)
Change in fair value of mortgage payable measured at FVTPL	414,074	1,085,735
Change in fair value of interest rate swap	(414,074)	(1,085,735)
Amortization of debt issuance costs	86,405	278,157
Unrealized foreign exchange	115,423	48,184
Balance at end of period	**$ 168,737,691**	**$ 168,435,521**

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
2024	$ 808,136
2025 [(i)]	75,470,018
2026 [(i)]	70,598,943
2027	629,353
2028 [(i)]	5,902,329
Thereafter [(i)]	15,973,156
	$ 169,381,935

i. Includes debt balance due at maturity.

UNREALIZED FAIR VALUE OF DERIVATIVE LIABILITIES

The Company has entered into swap agreements with its lenders for its variable debt outlined in Financial Statement Note 8, with certain swaps maturing on dates beyond the maturities of the underlying debt. These swap positions have maturities between April 2027 and April 2028, with an option to cancel at specified dates ranging between April 2025 to April 2026, at the option of the lender. The fair value of the financial instrument as at March 31, 2024 is an unrealized derivative liability of $875,534 (December 31, 2023 – $1,965,707). As at March 31, 2024, the overall swap positions, up until its final maturity for all of the Company's swaps, are a financial asset of $2,372,107 (December 31, 2023 – financial asset of $867,860).

	March 31, 2024		December 31, 2023
Fair value of swap to maturity – financial asset (i)	$ (2,372,107)	$	(867,860)
Fair value of swap offset against mortgages (Financial Statement Note 8) (ii)	899,215		797,718
Fair value of swap offset against credit facilities (Financial Statement Note 8) (ii)	2,348,426		2,035,849
Unrealized fair value of derivative liabilities (iii, iv)	**$ 875,534**	**$**	**1,965,707**

i. Inclusive of the fair value of all the Company's swaps held until the swap's final maturity.
ii. The fair value of the swap up until the maturity of the offsetting loan.
iii. The fair value of the swap that exceeds the maturity of the offsetting loan, until the swap's final maturity, inclusive of the lenders option to cancel.
iv. See Financial Statement Note 17 for additional disclosure on the estimated fair value of the derivative liabilities.

EQUITY

Shares outstanding

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

- 226,508,662 issued and outstanding common shares (March 31, 2024 – 227,883,162)
- 12,753,500 common share stock options outstanding (March 31, 2024 – 12,753,500)

The Company's common shares outstanding and share capital for the periods presented:

	Number		Amount
Balance as at December 31, 2023	227,891,662	$	168,351,698
Purchased and cancellation of common shares under NCIB	(8,500)		(6,280)
Balance as at March 31, 2024	**227,883,162**	**$**	**168,345,418**

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 was renewed for a further 12-month period starting March 28, 2024, where the Company can purchase up to 11,394,158 of the outstanding common shares of the Company. The program will end on March 27, 2025. The price paid for the common shares is, subject to NCIB pricing rules contained in securities laws, the prevailing market price of such common shares on the TSX Venture Exchange at the time of such purchase.

During the three months ended March 31, 2024, the Company purchased and cancelled 8,500 (December 31, 2023 – 6,159,000) common shares pursuant to its NCIB for a total of $4,974 (December 31, 2023 – $4,330,293) at an average price of $0.59 (December 31, 2023 – $0.70) per share. The Company's share capital was reduced by $6,280 (December 31, 2023 – $4,549,873) for the value of the shares purchased for cancellation with the excess of $1,306 paid under the value recognized as a reduction in deficit (December 31, 2023 – the excess of $219,580 under the value recognized as an increase in deficit).

Subsequent to March 31, 2024, the Company purchased and cancelled 1,374,500 common shares pursuant to its NCIB for a total of $809,420.

Stock options

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at December 31, 2023	13,153,500	$ 1.23
Granted	-	-
Expired	(400,000)	$ 1.50
Balance as at March 31, 2024	**12,753,500**	**$ 1.22**

As at March 31, 2024, the following stock options were outstanding and exercisable:

Exercise Price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
$0.63	2,228,500	2,228,500	9.75
$1.05	3,525,000	3,525,000	8.81
$1.50	7,000,000	7,000,000	7.48
	12,753,500	**12,753,500**	**8.25**

CASH FLOW SUMMARY

A summary of the Company's consolidated cash flows for the three months ended:

	March 31, 2024	March 31, 2023
Cash flows from operating activities	$ 3,051,907	$ 5,138,831
Cash flows used in investing activities	(378,887)	(92,528,394)
Cash flows (used in) from financing activities	(2,051,746)	77,967,748
Increase (decrease) in cash and cash equivalents	621,274	(9,421,815)
Foreign exchange effect on cash	25,977	(9)
Cash balance, beginning of the period	10,556,555	19,471,763
Cash balance, end of period	**$ 11,203,806**	**$ 10,049,939**

Operating activities:

The Company received net cash of $3,051,907 in operating activities for the three months ended March 31, 2024, compared to cash flow from operations of $5,138,831 for the three months ended March 31, 2023. The decrease in operating cash flows is a result of the profit for the period offset by a decrease in cash provided from working capital.

Investing activities:

The Company used net cash of $378,887 in investing activities for the three months ended March 31, 2024, compared to cash used of $92,528,394 for the three months ended March 31, 2023. The higher net cash outflow in the three months ended March 31, 2023 compared to the three months ended March 31, 2024 is a result of the portfolio acquisition of 10 industrial properties and Fly Away Parking in the three months ended March 31, 2023.

Financing activities:

The Company used net cash of $2,051,746 from financing activities for the three months ended March 31, 2024, compared to cash received of $77,967,748 for the three months ended March 31, 2023. The decrease in cash received was a result of less proceeds from debt financing, as the company did not make any acquisitions for the three months ended March 31, 2024.

SECTION 7 – DISCLOSURES

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

The Company does not have any off-balance sheet arrangements or contingencies as at March 31, 2024.

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, 2024		**For the three months ended March 31, 2023**
Total for all senior management				
Salaries, fees, and benefits	$	65,432	$	88,532
Total for all directors				
Fees		36,000		36,000
Total	**$**	**101,432**	**$**	**124,532**

Transactions with related parties

Concurrent with completion of the industrial 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, 2024, the Company incurred property management fees and other rental and general operating expenses totalling $765,075 from ARMS and its related companies (three months ended March 31, 2023 – $572,117), of which $65,432 of key management personnel compensation was included in the table above (March 31, 2023 – $65,432).

- For the three months ended March 31, 2024, $123,907 of construction costs incurred through ARMS and its related companies have been capitalized to industrial properties (three months ended March 31, 2023 – $937,000).

- Amounts due to and from ARMS and its related companies at March 31, 2024 includes $1,018,442 in accounts payable and accrued liabilities (December 31, 2023 – $953,324), and $260,843 in accounts receivable (December 31, 2023 – $166,838).

For the three months ended March 31, 2024, the Company earned $407,398 in investment properties revenues from leases with companies controlled by two directors of the Company (three months ended March 31, 2023 – $344,243).

CONTRACTUAL OBLIGATIONS AND COMMMITMENTS

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.

OP Holdings has greater than $1,281,000 USD in cash and no capital call has been made and no provision has been accrued by the Company with respect to this commitment (December 31, 2023 – $2,000,000 USD), the Company does not expect an additional contribution will be made.

PROPOSED TRANSACTIONS

Subsequent to Q1, the Company closed its acquisition to acquire a property with 82,640 sf of industrial warehouse located close to the Winnipeg Richardson International Airport on 4.6 acres of land at 961-975 Sherwin Rd, Winnipeg, Manitoba, for a purchase price of $6.3 million. The purchase price was satisfied through cash on hand.

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.sedarplus.ca.

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 readers 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:

Current economic environment

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 risks 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.

The Company's capacity to enter into or extend financing agreements hinges on our ability to secure terms for interest payments that won't undermine our intended profitability, along with amortization schedules that won't restrict our capability to fulfill our capital requirements and interest payments on debt. Additionally, there's the potential for future financing agreements with variable interest rates, in addition to the existing variable rate components. We face the risk of ongoing interest rate increases, which could lead to a substantial upswing in our debt servicing obligations. Elevated interest rates typically lead to diminished demand for properties. Moreover, a combination of higher interest rates and more stringent borrowing criteria, whether mandated by legal requirements or imposed by lenders, could significantly impede our ability to divest any of our properties.

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 seek tenants. Some of the competition may be better

capitalized and may be stronger 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, stadiums, central business district).

Investment properties and tenant risks

The Company's investment properties are a portfolio of real estate assets which are subject to various risks including fluctuations in economic condition, market changes, property specific factors and the changing needs of tenants. Maintaining tenant stability and minimizing vacancies are crucial factors. While leases may stipulate continuous occupancy, there's no guarantee tenants will comply. At lease expiration, tenants may choose not to renew, potentially leading to prolonged vacancies or less favorable lease terms.

Real estate investments come with liquidity challenges, limiting the Company's ability to swiftly adapt to economic shifts. In recessionary times, divesting certain property types may prove difficult. Holding costs, encompassing property taxes, maintenance, and more, persist regardless of vacancies and income generated. Substantial unbudgeted expenses may arise due to unforeseen building issues or code violations. Additionally, acquisitions may carry undisclosed risks, impacting sales proceeds and rental income.

To maintain market competitiveness and revenue generation, the Company must invest in property upkeep and improvements. It's important to acknowledge that some costs may not be passed on to tenants. Recognizing the illiquid nature of real estate investments, the Company must carefully navigate market fluctuations. By understanding these risks and implementing prudent management practices, the Company aims to optimize its real estate holdings for long-term success.

Parking operations risks

The Company's parking property are subject to various risks including fluctuations in economic activity, variations in operating costs, changing regulations and local statutes, increased security risks and vehicle risks including negligent driving, which can cause liability and loss. The Company has procured an experienced parking manager and secured insurance to mitigate the risks and maximize the asset for long term growth.

Geographic

The Company's industrial properties are predominantly located in Canada. The Company's performance and the value of the industrial 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.

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.

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.

The Company has established formal policies and procedures for assessing and overseeing environmental risks. These policies mandate obtaining a Phase I Environmental Site Assessment from an independent and qualified environmental consultant before acquiring any real property or interest therein.

Given the growing industry focus on climate change from governments, investors, and the public, it's crucial to recognize the potential threats from activities like greenhouse gas emissions. The Company is aware of the risk that our properties and tenants could be affected by government initiatives, leading to operational constraints and financial costs. Non-compliance may result in fines and impact our reputation and operations. Additionally, our properties and tenants may face challenges from climate change-related events, potentially disrupting operations and incurring additional expenses like higher insurance costs.

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.

Joint venture agreements and contractual arrangements

The Company engages in different joint venture agreements and contractual arrangements from time to time. These relationships come with certain risks, including:

(i) The potential that these third parties may, at any point, have economic or business interests or objectives that conflict with the Company. The joint venture partners may also take actions contrary to our instructions, requests, policies, or goals regarding our real estate investments.

(ii) The risk that these third parties could face financial challenges or seek legal protection through bankruptcy, insolvency, or other laws. This could lead to additional financial obligations on our part to maintain and manage these properties or to repay the third parties' portion of property debt guaranteed by us. It may also result in delays, expenses, and other complications associated with obtaining court approval for the joint venture.

(iii) The risk that these third parties, through their activities on behalf of or in the name of the joint ventures, may expose us to legal liability.

(iv) The necessity to obtain consent from third parties for certain major decisions, including decisions regarding the distribution of cash generated from these properties or the refinancing or sale of a property. Additionally, the sale or transfer of interests in some of these joint ventures may be subject to rights of first refusal or first offer. Some of the joint venture and partnership agreements may include buy-sell or similar arrangements. These rights may be triggered at a time when we may not wish to sell, but circumstances may force us to do so because we lack the necessary funds to purchase the other party's interests. Such rights may also impede our ability to sell an interest in a property or joint venture within the desired timeframe or on the terms we prefer.

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 industrial 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 US dollars. Fluctuations in the exchange rate between the US and Canadian dollar may have a material adverse effect on our business, financial condition, and operating results.

Tax considerations

Tax considerations are a critical aspect of the Company's operations. The Company has significant tax losses which are expected to lower corporate taxes in future periods. The Company's revenues stem from investments in Canada and the United States, exposing the Company to specific legal and political risks in those countries. Despite the Company's structure to optimize its tax assets, tax charges and withholding taxes in various jurisdictions, the Company's tax exposure is subject to changes to the tax system which it operates.

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 industrial 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 its debts, monitors the repayment dates, and maintains adequate cash on hand to ensure it has sufficient capital to cover its obligations. The Company expects to fund its operations and liabilities through existing cash resources, revenues generated from operations, and additional debt and equity financings.

Based on the funds on hand 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 parking assets 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.