



PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2025



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This Management’s Discussion and Analysis (“MD&A”) is prepared as of March 5th, 2026, and outlines the business strategy, risk profile, business outlook and analysis of financial performance and financial position of Parkit Enterprise Inc. (“Parkit,” or “the Company”) for the three and twelve months ended December 31, 2025 (“Q4”). This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the years ended December 31, 2025 and 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 March 5th, 2026.



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 do 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 properties revenue less investment 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.

Stabilized comparative properties NOI (“Stabilized comparative properties NOI”) is a non-IFRS measure used by management in evaluating the performance of properties fully owned by the Company in the current and prior year comparative periods. Stabilized comparative properties NOI enables investors to evaluate our operating performance, especially to assess the effectiveness of our management of properties generating NOI growth from existing properties. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

When the Company compares the Stabilized comparative properties NOI on a year-over-year basis for the three months and year to date, the Company excludes investment properties acquired on or after the beginning of the prior year period. For the three and twelve months ended December 31, 2025 and December 31, 2024, the Company excludes investment properties acquired on or after January 1, 2024. The Stabilized comparative properties NOI is calculated by taking NOI and excluding the impact of NOI from acquisitions, excludes NOI from straight-line rent and NOI from unstabilized properties. The Company reconciles the comparative properties NOI to net rental income.

MATERIAL ACCOUNTING POLICIES

The Company’s material accounting policies are described in note 3 to its audited consolidated Financial Statements for the year ended December 31, 2025. 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, 2025.



SECTION 2 – OVERALL PERFORMANCE AND STRATEGY

BUSINESS OVERVIEW

Parkit 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”).

INDUSTRIAL PROPERTIES BUSINESS UPDATE

In Q4 2025, Parkit sold an industrial property at 555 Rue Camiel Sys St located in Winnipeg, Manitoba to PRO Real Estate Investment Trust (“PROREIT”) (TSX: PRV.UN) for total proceeds of \$5.35 million. The proceeds were used to pay down \$3 million of debt and Parkit received \$2.1 million in the form of 345,161 trust units of PROREIT, with the remaining balance being received as cash. The sale resulted in a \$0.4 million gain on disposition and added additional working capital to the balance sheet.

In Q4 2025, Parkit contributed the land and building at 568 Second Street to the newly formed joint venture, 760 Second Street General Partnership (“760 Second St GP”), at an agreed value of \$12,900,000. Concurrently, Parkit sold a 50% ownership interest in the joint venture to Decade Capital Corporation (“Decade”) and Southside Construction Management Limited (“Southside”) for total consideration of \$6,450,000, consisting of cash proceeds of \$3,225,000 and a note receivable of \$3,225,000. The remaining 50% interest is retained by Parkit. Parkit, Decade, and Southside have entered into an agreement to develop the site into a two multi story residential buildings total with 543 units and 487,151 square foot of gross leasable area (GLA).

In Q3 2025, Parkit acquired a 99,690 square feet (“sf”) industrial warehouse, located in Edmonton, Alberta, on 5.2 acres of land at 16630 114th Avenue NW, Alberta, for a purchase price of \$10.8 million. The purchase price was satisfied with a first mortgage of \$7.5 million with the remaining balance satisfied with cash on hand.

In Q2 2025, Parkit sold a portfolio of six industrial properties located in Winnipeg, Manitoba (the “Winnipeg Portfolio”) to PROREIT for proceeds of \$96.5 million. The proceeds were used to pay down \$47 million of debt and Parkit received \$40 million in the form of 6,451,613 units of PROREIT, with the balance being received as cash. The sale resulted in a \$24.8 million gain on disposition and added additional working capital to the balance sheet.

Parkit’s units of PROREIT in aggregate, represent an approximate 10% interest in PROREIT. Concurrent to the sale, Parkit entered into an investor rights agreement providing for, among other things, pre-emptive rights for the purchase by Parkit of Trust Units on a PROREIT offering, registration rights for the sale of the Trust Units that Parkit acquires, the right for Parkit to nominate one trustee to PROREIT’s board of trustees, and certain lock-up and standstill provisions. As at December 31, 2025, Parkit’s investment in PROREIT provides an approximate current yield of 6.87%.

In Q1 2025, Parkit acquired a 62,680 sf industrial warehouse, located in Boisbriand, QC, on 2.5 acres of land at 1650 Blvd Lionel Bertrand, Quebec, for a purchase price of \$10.3 million. The purchase price was satisfied with a first mortgage of \$7.7 million with the remaining balance satisfied with cash on hand.

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



STRATEGIC DIRECTION

Parkit’s strategy is to own and operate a portfolio of strategically located investment 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, 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.

BUSINESS OUTLOOK

In the Company’s key markets, the fundamentals are good, however availability rates have increased slightly and asking rental rates have decreased slightly.

Key market	Net asking rents (per sf) ⁽ⁱ⁾		Availability rates ⁽ⁱ⁾	
	Q4 2025	Q3 2025	Q4 2025	Q3 2025
Toronto, ON	\$16.38	\$16.59	5.0%	5.1%
Montreal, QC	\$14.10	\$14.24	6.7%	6.5%
Ottawa, ON	\$16.66	\$16.68	4.9%	4.6%
Edmonton, AB	\$10.63	\$11.20	5.0%	4.5%
Regina, SK	\$12.92	\$12.28	2.7%	2.5%

(i) Per CBRE and Colliers – Canada Q4 2025 Quarterly Statistics

The capitalization rates for industrial properties have remained steady across all markets during the year, though the rates vary based on geographic location. The interest rates have decreased, though the 3-7 year Government of Canada Bond Rates have remained steady, which could affect 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 economic environment has become more unstable as the effect of tariffs and the changing regulatory environment. Different economic variables are subject to fluctuation including inflation, interest rates, and employment. The effect of these variables, and other factors, could affect the Company’s tenancies, financing, or other operations, which could influence the Company’s performance.



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.

The Company closed Q4 2025 with 1,278,705 sf in stabilized gross leasable area with in-place escalations and tenants continuing to renew leases at market rates. Though there is an uncertain economic environment, the Company will continue to advance its development projects, maximize its leasing activity and improve property management operations.

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, 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 | <ul style="list-style-type: none">• 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• 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 | <ul style="list-style-type: none">• ensure safe working conditions and 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 | <ul style="list-style-type: none">• established Board committees for Audit, Governance & Compensation, Investment• the Board, Investment, and Audit Committee are majority independent and the Governance & Compensation is entirely independent• significant board and management ownership at approximately 45% |

SECTION 3 – FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

Select financial information (Audited)	Three months ended December 31, 2025	Three months ended December 31, 2024	Twelve months ended December 31, 2025	Twelve months ended December 31, 2024
Operating results				
Investment properties revenue	\$ 6,232,784	\$ 6,950,930	\$ 26,539,445	\$ 26,042,617
Investment properties revenue - owned	\$ 5,896,444	\$ 4,633,037	\$ 21,489,908	\$ 17,745,051
Investment properties revenue - disposed	\$ 336,340	\$ 2,317,893	\$ 5,049,537	\$ 8,297,566
Net rental income	\$ 4,378,259	\$ 4,962,757	\$ 18,550,420	\$ 17,789,525
Net rental income - owned	\$ 4,378,259	\$ 3,298,756	\$ 15,640,800	\$ 12,300,512
Net rental income - disposed	\$ -	\$ 1,664,001	\$ 2,909,620	\$ 5,489,013
Net parking and equity-accounted (loss) income	\$ (10,407)	\$ 184,268	\$ (7,307,368)	\$ 348,238
Net income (loss)	\$ 7,557,426	\$ (405,849)	\$ 25,519,121	\$ (2,806,467)
Net income (loss) per share	\$ 0.04	\$ (0.00)	\$ 0.12	\$ (0.01)
Funds from operations	\$ 2,525,542	\$ 2,017,349	\$ 8,715,647	\$ 6,745,526
FFO per share	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.03
Stabilized comparative properties NOI ¹	\$ 3,290,943	\$ 3,087,376	\$ 12,709,506	\$ 11,729,008
Stabilized comparative properties NOI %	7%		8%	
Weighted avg shares outstanding	215,082,946	223,384,639	218,409,624	225,142,928
Liquidity and leverage				
Cash			\$ 5,382,290	\$ 5,476,859
Working capital excl debt ²			\$ 2,397,792	\$ 3,299,008
Total assets			\$ 311,521,778	\$ 330,657,403
Total debt (loans and borrowings)			\$ 140,129,676	\$ 179,099,563
Total equity			\$ 164,399,327	\$ 143,819,035
Weighted avg mortgage term (years)			2.0	2.1
Weighted avg effective interest rate			5.13%	5.30%
Investment properties				
Properties acquired			2	2
Number of properties (cumulative) ³			19	25
Site area (acres) (cumulative)			95.7	136.5
In-place gross leasable area ("GLA") (sf) ^{4, 5}			1,466,705	2,109,185
Expansion GLA in development (sf) ⁶			271,050	271,050
GLA after stabilized & expansion (sf)			1,737,755	2,380,235
In-place occupancy rate ⁷			98%	99%
Average in-place net rent			\$13.70	\$11.94
Weighted average lease term ("WALT") (years)			4.1	4.3

- Growing stabilized comparative properties NOI
- Working capital excl debt does not include short term portion of long-term debt, see section 6
- For the twelve months ended December 31, 2025, Parkit started with 25 properties and sold a portfolio of 8 industrial properties and acquired 2 properties to total 19 properties at December 31, 2025
- For the twelve months ended December 31, 2025, in-place GLA is split into stabilized in-place GLA of 1,278,705 sf and development in-place GLA of 188,000 sf
- For the twelve months ended December 31, 2024, in-place GLA is split into stabilized in-place GLA of 1,837,185 sf and in-transition GLA of 272,000 sf
- Expansion GLA includes 5610 Finch Ave East, 720 Tapscott Rd, and 415 Legget Dr. See In-development properties section
- The occupancy rate does not include assets in-development

SECTION 4 – DISCUSSION OF OPERATIONS

SEGMENTED INFORMATION

The Company operates in two reportable business segments as at December 31, 2025:

- 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 December 31, 2025	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	\$ 6,232,784	\$ -	\$ -	\$ 6,232,784
Investment properties expenses	(1,854,525)	-	-	(1,854,525)
Net rental income	4,378,259	-	-	4,378,259
Parking properties revenue	-	1,038,770	-	1,038,770
Parking properties expenses	-	(1,088,644)	-	(1,088,644)
Share of income from equity-accounted investees	-	39,467	-	39,467
Net parking loss	-	(10,407)	-	(10,407)
Other income				
Gain on sale of investment properties	1,960,932	-	-	1,960,932
Investment income	-	-	756,506	756,506
Unrealized gain on investments at fair value	-	-	5,015,607	5,015,607
Realized and unrealized gain derivative financial instruments	-	-	167,724	167,724
	1,960,932	-	5,939,837	7,900,769
Other expenses				
General and administrative expenses and other income	-	(31,730)	585,237	553,507
Share-based compensation	-	-	205,371	205,371
Depreciation	-	-	1,779,946	1,779,946
Finance costs	-	-	1,909,496	1,909,496
	-	(31,730)	4,480,050	4,448,320
Income before tax	6,339,191	21,323	1,459,787	7,820,301
Income tax expense	-	-	(262,875)	(262,875)
NET INCOME	\$ 6,339,191	\$ 21,323	\$ 1,196,912	\$ 7,557,426
Total assets	\$ 285,560,900	\$ 15,850,426	\$ 10,110,452	\$ 311,521,778
Total liabilities	\$ 5,967,005	\$ 6,195,340	\$ 134,960,106	\$ 147,122,451

For the three months ended December 31, 2024	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	\$ 6,950,930	\$ -	\$ -	\$ 6,950,930
Investment properties expenses	(1,988,173)	-	-	(1,988,173)
Net rental income	4,962,757	-	-	4,962,757
Parking properties revenue	-	1,117,319	-	1,117,319
Parking properties expenses	-	(986,600)	-	(986,600)
Share of income from equity-accounted investees	-	53,549	-	53,549
Net parking income	-	184,268	-	184,268
Other income				
Realized and unrealized gain derivative financial instruments	-	-	482,344	482,344
	-	-	482,344	482,344
Other expenses				
General and administrative expenses and other income	-	(31,809)	926,803	894,994
Share-based compensation	-	-	204,126	204,126
Depreciation	-	-	2,241,961	2,241,961
Finance costs	-	-	2,474,974	2,474,974
	-	(31,809)	5,847,864	5,816,055
Income or (loss) before tax	4,962,757	216,077	(5,365,520)	(186,686)
Income tax expense	-	-	(219,163)	(219,163)
NET INCOME (LOSS)	\$ 4,962,757	\$ 216,077	\$ (5,584,683)	\$ (405,849)
Total assets	\$ 301,240,943	\$ 24,074,422	\$ 5,342,038	\$ 330,657,403
Total liabilities	\$ 5,619,889	\$ 6,425,306	\$ 174,793,173	\$ 186,838,368

For the twelve months ended December 31, 2025	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	\$ 26,539,445	\$ -	\$ -	\$ 26,539,445
Investment properties expenses	(7,989,025)	-	-	(7,989,025)
Net rental income	18,550,420	-	-	18,550,420
Parking properties revenue	-	4,591,530	-	4,591,530
Parking properties expenses	-	(4,533,074)	-	(4,533,074)
Share of loss from equity-accounted investees	-	(7,365,824)	-	(7,365,824)
Net parking loss	-	(7,307,368)	-	(7,307,368)
Other income				
Gain on sale of investment properties	26,765,848	-	-	26,765,848
Investment income	-	-	1,726,899	1,726,899
Unrealized gain on investments at fair value	-	-	5,586,645	5,586,645
Realized and unrealized gain derivative financial instruments	-	-	398,063	398,063
	26,765,848	-	7,711,607	34,477,455
Other expenses				
General and administrative expenses and other income	-	(126,638)	2,552,699	2,426,061
Share-based compensation	-	-	205,371	205,371
Depreciation	-	-	8,335,663	8,335,663
Finance costs	-	-	8,971,416	8,971,416
	-	(126,638)	20,065,149	19,938,511
Income or (loss) before tax	45,316,268	(7,180,730)	(12,353,542)	25,781,996
Income tax expense	-	-	(262,875)	(262,875)
NET INCOME (LOSS)	\$ 45,316,268	\$ (7,180,730)	\$ (12,616,417)	\$ 25,519,121
Total assets	\$ 285,560,900	\$ 15,850,426	\$ 10,110,452	\$ 311,521,778
Total liabilities	\$ 5,967,005	\$ 6,195,340	\$ 134,960,106	\$ 147,122,451

For the twelve months ended December 31, 2024	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	\$ 26,042,617	\$ -	\$ -	\$ 26,042,617
Investment properties expenses	(8,253,092)	-	-	(8,253,092)
Net rental income	17,789,525	-	-	17,789,525
Parking properties revenue		3,718,062	-	3,718,062
Parking properties expenses	-	(2,938,012)	-	(2,938,012)
Share of loss from equity-accounted investees	-	(431,812)	-	(431,812)
Net parking income	-	348,238	-	348,238
Other income				
Realized and unrealized gain derivative financial instruments	-	-	385,666	385,666
			385,666	385,666
Other expenses				
General and administrative expenses and other income	-	(132,804)	2,885,528	2,752,724
Share-based compensation	-	-	204,126	204,126
Depreciation	-	-	8,747,393	8,747,393
Finance costs	-	-	9,406,490	9,406,490
		(132,804)	21,243,537	21,110,733
Income (loss) before tax	17,789,525	481,042	(20,857,871)	(2,587,304)
Income tax expense	-	-	(219,163)	(219,163)
NET INCOME (LOSS)	\$ 17,789,525	\$ 481,042	\$ (21,077,034)	\$ (2,806,467)
Total assets	\$ 301,240,943	\$ 24,074,422	\$ 5,342,038	\$ 330,657,403
Total liabilities	\$ 5,619,889	\$ 6,425,306	\$ 174,793,173	\$ 186,838,368



FINANCIAL RESULTS FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2025 AND 2024

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.

The Company sold its investment properties in Winnipeg, Manitoba and London, Ontario. The Company has disclosed its revenue, expenses and net rental income relating to owned and disposed assets. The Company's remaining owned assets have shown solid growth as a result of new leases, renewals and new property acquisitions.

Investment properties revenue was \$6,232,784 and \$26,539,445, respectively, for the three and twelve months ended December 31, 2025, compared to \$6,950,930 and \$26,042,617, respectively, for the three and twelve months ended December 31, 2024. The difference in revenue from investment properties is due to the sale of the Winnipeg assets, offset partially by an increase in rental rates on existing properties and new revenue from acquisitions made by the Company.

Of the investment properties revenue for properties not sold, the revenues increased to \$5,896,444 and \$21,489,908, respectively, for the three and twelve months ended December 31, 2025, compared to \$4,633,037 and \$17,745,051, respectively, for the three and twelve months ended December 31, 2024. The increase in revenue from investment properties is due to lease renewals and new leases at market rates, and new acquisitions made by the Parkit.

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 was \$1,854,525 and \$7,989,025, respectively, for the three and twelve months ended December 31, 2025, compared to \$1,988,173 and \$8,253,092, respectively, for the three and twelve months ended December 31, 2024. The difference in expenses from investment properties is due to the sale of the Winnipeg assets, offset partially by an increase due to the net reduction in investment properties during the year. The Company maintain its margins for stabilized investment properties and improved its margins for in-transition/in development investment properties.

Net rental income was \$4,378,259 and \$18,550,420, respectively for the three and twelve months ended December 31, 2025, compared to \$4,962,757 and \$17,789,525, respectively, for the three and twelve months ended December 31, 2024. The difference in net rental income was a result of the change in the number of investment properties held for the respective periods.

Of the net rental income, the portion of net rental income for properties not sold increased to \$4,378,259 and \$15,640,800, respectively, for the three and twelve months ended December 31, 2025, compared to \$3,298,756 and \$12,300,512, respectively, for the three and twelve months ended December 31, 2024. The increase in net rental income from investment properties owned is due to lease renewals and new leases at market rates, and new acquisitions made by the Company.

The Company distinguishes between stabilized investment properties, which are properties without development with vacancy or with a long-term leases in place, and in-development and in-transition properties include properties that are in the planning, development stage or are transitioning to a different use.

Stabilized properties ^{(i) (ii)}		In-transition and in-development properties ⁽ⁱⁱⁱ⁾
<ul style="list-style-type: none"> • 5600 Finch Ave East • 4390 Paletta Crt • 1165 Kenaston St • 1151-1181 Parisien St • 1665 Blvd Lionel-Bertrand • 5610 Finch Ave East ^(iv) • 3455 Mainway Dr • 5300 Harvester Rd • 1155 Lola St 	<ul style="list-style-type: none"> • 1485 Speers Rd • 144 Henderson Dr • 195 Henderson Dr • 2 Ramm Ave • 859 - 57th Street E • 1650 Comstock Rd • 1650 Blvd Lionel-Bertrand • 16630 114th Avenue NW • 720 Tapscott Rd ^(iv) 	<ul style="list-style-type: none"> • 415 Legget Dr ^(v)

- (i) On December 17, 2025, Parkit sold 555 Camiel Sys St located in Winnipeg, Manitoba to PROREIT. Stabilized properties included the results of this property to the date of disposition.
- (ii) On June 26, 2025, Parkit sold a portfolio of following six industrial properties located in Winnipeg, Manitoba to PROREIT (310 De Baets St, 1725 Inkster Blvd, 2030 Notre Dame Ave, 90-120 Paramount Rd, 1345 Redwood Ave, and 961-975 Sherwin Road). Stabilized properties included the results of these properties to the date of disposition.
- (iii) In November 2025, Parkit contributed the land and building at 568 Second Street to the newly formed partnership, 760 Second Street Partnership ("760 Second St GP"), at \$1,290,000 and redeemed 50% of its interest.
- (iv) 5610 Finch Ave East and 720 Tapscott Rd is stabilized with a medium term lease until the properties move to development.
- (v) 415 Legget Dr is repositioning; the property may have interim revenue during this process.

Investment properties – owned and disposed

The Company disposed seven of its Winnipeg assets which were stabilized. The Company still maintains a growing portfolio of stabilized assets with increasing gross margins for the year ended December 31, 2025, compared to the year ended December 31, 2024.

	For the three months ended December 31, 2025			For the three months ended December 31, 2024		
	Investment properties owned	Investment properties disposed	Total	Investment properties owned	Investment properties disposed	Total
Investment properties revenue	\$ 5,896,444	\$ 336,340	\$ 6,232,784	\$ 4,633,037	\$ 2,317,893	\$ 6,950,930
Investment properties expenses	(1,518,185)	(336,340)	(1,854,525)	(1,334,281)	(653,892)	(1,988,173)
Net rental income	\$ 4,378,259	\$ -	\$ 4,378,259	\$ 3,298,756	\$ 1,664,001	\$ 4,962,757
Gross margin	74%	N/A	70%	71%	72%	71%

	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Investment properties owned	Investment properties disposed	Total	Investment properties owned	Investment properties disposed	Total
Investment properties revenue	\$ 21,489,908	\$ 5,049,537	\$ 26,539,445	\$ 17,745,051	\$ 8,297,566	\$ 26,042,617
Investment properties expenses	(5,849,108)	(2,139,917)	(7,989,025)	(5,444,539)	(2,808,553)	(8,253,092)
Net rental income	\$ 15,640,800	\$ 2,909,620	\$ 18,550,420	\$ 12,300,512	\$ 5,489,013	\$ 17,789,525
Gross margin	73%	58%	70%	69%	66%	68%

Investment properties – stabilized, in-transition and in-development

The Company has signed leases on its in-transition and in development property which has shown positive and growing NRI for the year ended December 31, 2025. The Company’s margins will continue to increase as it stabilizes more assets.

	For the three months ended December 31, 2025			For the three months ended December 31, 2024		
	Stabilized properties	In-transition / in-development properties ⁽ⁱ⁾	Total	Stabilized properties	In-transition / in-development properties ⁽ⁱ⁾	Total
Investment properties revenue	\$ 5,711,373	\$ 521,411	\$ 6,232,784	\$ 6,718,371	\$ 232,559	\$ 6,950,930
Investment properties expenses	(1,691,370)	(163,155)	(1,854,525)	(1,786,973)	(201,200)	(1,988,173)
Net rental income	\$ 4,020,003	\$ 358,256	\$ 4,378,259	\$ 4,931,398	\$ 31,359	\$ 4,962,757
Gross margin	70%	69%	70%	73%	13%	71%

	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Stabilized properties	In-transition / in-development properties ⁽ⁱ⁾	Total	Stabilized properties	In-transition / in-development properties ⁽ⁱ⁾	Total
Investment properties revenue	\$ 25,028,015	\$ 1,511,430	\$ 26,539,445	\$ 25,117,507	\$ 925,110	\$ 26,042,617
Investment properties expenses	(7,347,301)	(641,724)	(7,989,025)	(7,105,372)	(1,147,720)	(8,253,092)
Net rental income (loss)	\$ 17,680,714	\$ 869,706	\$ 18,550,420	\$ 18,012,135	\$ (222,610)	\$ 17,789,525
Gross margin	71%	58%	70%	72%	N/A	68%

- (i) The in-transition and in-development properties may have interim revenue. However, the properties are not fully occupied or is a state of construction or development, which has resulted in a net rental lower net rental income. Once these properties are stabilized, the Company expects the margins to improve.

Gain on sale of investment properties

Gain on sale of investment properties was \$1,960,932 and \$26,765,848 for the three and twelve months ended December 31, 2025 (three and twelve months ended December 31, 2024 – \$Nil). A significant portion of the gain was recognized on the sale of investment properties to PROREIT during the year, in addition to the Company’s contribution into the 760 Second St GP.

Realized and unrealized gain (loss) on derivative of financial instruments

The Company recognized a realized and unrealized gain on derivative financial instruments of \$167,724 and \$398,063 respectively, as a result of fluctuating interest rates and the approaching maturity dates of the swaps for the three and twelve months ended December 31, 2025, compared to an unrealized gain on derivative financial instruments of \$482,344 and \$385,666 for the three and twelve months ended December 31, 2024.

Unrealized gain (loss) on investments at fair value

Unrealized gain on investments at fair value was recorded at \$5,015,607 and \$5,586,645 respectively for the three and twelve months ended December 31, 2025 (three and twelve months ended December 31, 2024 – \$Nil). This attributes



to the year-end fair value remeasurement of the PROREIT shares received in 2025 as a consideration upon disposition of the investment properties throughout the year and additional trust unit purchases, with changes in market value at the reporting date recognized as unrealized gains for the period.

Investment Income

The Company recorded an investment income of \$756,506 and \$1,726,899 respectively for the three and twelve months ended December 31, 2025 (three and twelve months ended December 31, 2024 – \$Nil). This is a result of dividends received from holding PROREIT units that pay \$0.0375 per share on a monthly basis.

Share-based compensation

Share based compensation increased to \$205,371 for the three and twelve months ended December 31, 2025, compared to \$204,126, for the three and twelve months ended December 31, 2024. The increase in expenses is primarily driven by a higher Black-Scholes valuation applied to options granted during the year ended December 31, 2025, partially offset by a lower number of options issued.

General and administrative expenses and other income

General and administrative expenses and other income was \$553,507 and \$2,426,061 respectively, for the three and twelve months ended December 31, 2025, compared to \$894,994 and \$2,752,724, respectively, for the three and twelve months ended December 31, 2024. The decrease in quarterly and yearly general and administrative expenses and other income is a result of foreign exchange gain and loss fluctuations, while all other general and administrative expense categories held steady.

Depreciation

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

The depreciation was \$1,779,946 and \$8,335,663, respectively, for the three and twelve months ended December 31, 2025, compared to \$2,241,961 and \$8,747,393, respectively, for the three and twelve months ended December 31, 2024. The decrease in depreciation for the three and twelve months is a result of a decrease in the number of investment properties held by the Company compared to the previous period.

Finance costs

The finance costs were \$1,909,496 and \$8,971,416, respectively, for the three and twelve months ended December 31, 2025, compared to \$2,474,974 and \$9,406,490, respectively, for the three and twelve months ended December 31, 2024. The decrease in finance costs is due to the repayment of the debt held by the Company, as well as a reduction in interest rates on the debt. The Company used swaps to fix interest rates on some of its debt with a weighted average effective interest rate of 5.13% as at December 31, 2025 compared to of 5.30% as at December 31, 2024.

Net income and loss

The net income was \$7,557,426 and \$25,519,121, respectively, for the three and twelve months ended December 31, 2025, compared to a net loss of \$405,849 and \$2,806,467, respectively, for the three and twelve months ended December 31, 2024. The significant increase in annual net income was a result of higher net rental income, higher other income including a gain on sale of investments and unrealized gain on investments at fair value, lower other expenses including lower general and admin cost, finance cost, and depreciation offset by a larger net parking loss.

Funds from operations (“FFO”)

	Three months ended December 31, 2025	Three months ended December 31, 2024	Twelve months ended December 31, 2025	Twelve months ended December 31, 2024
Net income (loss) and comprehensive income (loss)	\$ 7,557,426	\$ (405,849)	\$ 25,519,121	\$ (2,806,467)
Add / (deduct):				
Share of (income) loss from equity-accounted investees	(39,467)	(53,549)	7,365,824	431,812
Depreciation	1,779,946	2,241,961	8,335,663	8,747,393
Unrealized gain on derivative financial instruments	(167,724)	(482,344)	(398,063)	(385,666)
Unrealized gain on Investments at fair value	(5,015,607)	-	(5,586,645)	-
Gain on sale of investment properties	(1,960,932)	-	(26,765,848)	-
Foreign exchange	(96,346)	293,841	(222,651)	335,165
Income tax expense	262,875	219,163	262,875	219,163
Share based compensation	205,371	204,126	205,371	204,126
FFO	\$ 2,525,542	\$ 2,017,349	\$ 8,715,647	\$ 6,745,526
FFO per share	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.03

The FFO for the three and twelve months ended December 31, 2025 was \$2,525,542 and \$8,715,647, compared to an FFO of \$2,017,349 and \$6,745,526 for the three and twelve months ended December 31, 2024, which represents a 25% and 29% increase in FFO, respectively. The increase in FFO is a result of an increase in annual net rental income from investment properties due to new leases, and renewals at market rates during the year, while managing lowering finance costs with swaps on its mortgages and credit facilities.

Stabilized comparative properties NOI

Stabilized comparative properties NOI is a measure used by management to evaluate the period over period operating results for properties. For comparative purposes, only stabilized investment properties owned, as of January 1, 2024, in both periods are compared. The Company’s stabilized comparative properties NOI increased as the Company signed new leases and executed renewals with tenants.

	Three months ended December 31, 2025	Three months ended December 31, 2024	Change in \$	Change in %
Stabilized comparative properties NOI	\$ 3,290,943	\$ 3,087,376	\$ 203,567	7%
NOI from newly acquired properties	572,140	24,541	547,599	
NOI from disposed properties	63,899	1,618,007	(1,554,108)	
Straight line rent	238,444	179,782	58,662	
NOI from unstabilized properties	212,833	53,051	159,782	
Net rental income	\$ 4,378,259	\$ 4,962,757	\$ (584,498)	(12%)

	Twelve months ended December 31, 2025	Twelve months ended December 31, 2024	Change in \$	Change in %
Stabilized comparative properties NOI	\$ 12,709,506	\$ 11,729,008	\$ 980,498	8%
NOI from newly acquired properties	1,592,792	24,541	1,568,251	
NOI from disposed properties	2,705,221	5,374,522	(2,669,301)	
Straight line rent	806,948	736,962	69,986	
NOI from unstabilized properties	735,953	(75,508)	811,461	
Net rental income	\$ 18,550,420	\$ 17,789,525	\$ 760,895	4%

Investment properties – acquisitions

The Company's investment properties acquisitions for the twelve months ended December 31, 2025 are detailed below:

Property address	Number of properties	GLA	Cost	Date acquired
1650 Boulevard Lionel Bertrand, Boisbriand, Quebec	1	62,680	10,250,000	February 6, 2025
16630 114th Avenue NW, Edmonton, Alberta	1	99,690	10,750,000	August 6, 2025
For the year ended December 31, 2025	2	162,370	\$ 21,000,000	
961-975 Sherwin Road, Winnipeg, Manitoba ⁽ⁱ⁾	1	82,640	6,300,000	April 2, 2024
1650 Comstock Rd, Ottawa, Ontario	1	140,000	9,500,000	December 18, 2024
For the year ended December 31, 2024	2	222,640	\$ 15,800,000	

i. This property was disposed on June 26, 2025. See Investment properties disposals for additional details.

Investment properties disposals

The Company's investment property disposal for the year ended December 31, 2025, are detailed below.

	Disposition price	Date disposed
961-975 Sherwin Rd, Winnipeg, Manitoba	\$ 12,000,000	June 26, 2025
310 De Baets St, Winnipeg, Manitoba	14,500,000	June 26, 2025
1725 Inkster Blvd, Winnipeg, Manitoba	34,200,000	June 26, 2025
2030 Notre Dame Ave, Winnipeg, Manitoba	15,400,000	June 26, 2025
90-120 Paramount Rd, Winnipeg, Manitoba	4,400,000	June 26, 2025
1345 Redwood Ave, Winnipeg, Manitoba	16,000,000	June 26, 2025
568 Second St, London, Ontario	12,900,000	November 18, 2025
555 Camiel Sys St, Winnipeg, Manitoba	5,350,000	December 17, 2025
Total disposition of investment properties	\$ 114,750,000	



In-development properties

The following table summarizes the Company’s ongoing in-development projects as at December 31, 2025:

Property	Planned GLA	Ownership	Comment
Planning and permitting stage			
5610 Finch Ave East & 720 Tapscott Rd	121,050	100%	Construction to commence in 2028
415 Legget Dr, Ottawa, Ontario	150,000	100%	Construction to commence in 2028
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 2028 as their current tenant has a lease term to Q4 2027.

The Company plans to develop 415 Legget Dr, by repositioning the property from a flexible office and warehouse to a combination of light industrial and warehouse and adding at least 150,000 sq feet of light industrial and warehouse on the property. The Company has received site plan approval, but will delay construction until the market for new industrial product strengthens or the Company can formalize a build to suit lease.

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 December 31, 2025, Parkit owns and operates a portfolio of 19 investment properties totaling 1,466,705 sf of GLA consisting of 1,278,705 sf of stabilized properties and 188,000 sf of unstabilized properties planned for future expansions.

The Company leases industrial properties to tenants under operating leases. In Q4, the Company’s stabilized properties are 98% tenanted as at December 31, 2025.

As at December 31, 2025, the Company’s tenants operate in a variety of industries, with no one tenant accounting for more than 14% of total GLA. The Company’s portfolio of 19 industrial assets has 48 tenants.

As at December 31, 2025, the Company has an in-place and committed occupancy of 98% for 18 stabilized properties. The Company has 1 property under development with short-term income. The stabilized properties have an average in-place net rent for the portfolio of \$13.70 per square feet compared with the weighted average market rents of \$15.33 per square feet for the portfolio in Q4 of 2025¹.

¹ Per CBRE and Colliers – Canada Q4 2025 Quarterly Statistics

Portfolio as at December 31, 2025	Total GLA	Average in-place base rent (per sf)	Estimated market rent (per sf)	WALT
Greater Toronto Area +, Ontario	436,403	\$16.88	\$16.38	4.0 years
Ottawa, Ontario and Montreal, Quebec	533,667	\$13.78	\$16.12	3.4 years
Total Ontario and Quebec properties	970,070	\$14.76	\$16.24	3.7 years
Saskatchewan and Alberta	279,036	\$10.22	\$12.10	5.6 years
Total portfolio	1,249,106	\$13.70	\$15.33	4.1 years

(i) Total GLA for portfolio excludes in-development assets of 188,000 sf.

Portfolio as at December 31, 2024	Total GLA	Average in-place base rent (per sf)	Estimated market rent (per sf)	WALT
Greater Toronto Area +, Ontario	436,403	\$16.03	\$17.18	4.6 years
Ottawa, Ontario and Montreal, Quebec	500,586	\$12.68	\$16.47	4.6 years
Total Ontario and Quebec properties	936,989	\$13.88	\$16.80	4.6 years
Winnipeg, Manitoba and Saskatchewan	900,196	\$7.50	\$11.23	4.0 years
Total portfolio	1,837,185	\$11.94	\$14.07	4.3 years

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

In 2025, the Company continued to renew and sign new leases at market rates, resulting in higher in-place rents, particular in the Greater Toronto Area+ region. The Company notes that with the addition of the new properties acquired in 2025 located in Alberta and Quebec, the in-place rents are expected to grow, as it continues to transition leases towards the market rents.

Leasing activity – renewals

	Renewal Total	
	GLA	Rental rate growth (%)
For 3 months ended December 31, 2025	4,607	19%
For 3 months ended September 30, 2025	2,200	0%
For 3 months ended June 30, 2025	97,430	47%
For 3 months ended March 31, 2025	67,996	24%
For 3 months ended September 30, 2024	70,491	42%
For 3 months ended June 30, 2024	86,352	86%



Leasing activity – new deals

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

- Q4 2025, Parkit signed a 5-year lease for 25,000 sf at 415 Legget Dr starting at \$10.35 net psf
- Q2 2025, Parkit signed a 5-year lease for 22,000 sf at 415 Legget Dr starting at \$17.76 net psf
- Q2 2025, Parkit signed a 3-year and 5-month land lease at 720 Tapscott Rd starting at \$2.75 net psf
- Q1 2025, Parkit signed a 15-year lease for 25,000 sf at 415 Legget Dr starting at \$10.30 net psf
- Q1 2025, Parkit signed a 15-year lease for 18,632 sf at 961/975 Sherwin Rd starting at \$8.25 net psf
- Q4 2024, Parkit signed a 15-year lease for 42,295 sf at 1725 Inkster Blvd starting at \$5.75 net psf
- Q4 2024, Parkit signed a 3-year lease for 55,700 sf at 5610 Finch Ave E starting at \$12.50 net psf
- Q3 2024, Parkit signed a 10-year lease for 7,913 sf at 415 Legget Dr starting at \$10.00 net psf
- Q3 2024, Parkit signed a 15-year lease for 20,068 sf at 961/975 Sherwin Rd starting at \$8.95 psf
- Q3 2024, Parkit signed a 3-year lease for 7,830 sf at 961/975 Sherwin Rd starting at \$8.75 psf
- 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

Lease Maturity

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

Portfolio as at December 31, 2025	Vacancy	2026	2027	2028	2029+	Total ⁽ⁱ⁾
Total vacancy / renewal (sf)	29,599	143,480	190,280	282,363	632,983	1,278,705
Percentage of stabilized GLA	2%	11%	15%	22%	50%	

(i) Includes stabilized properties, total GLA excludes 188,000 sf for 415 Legget Dr which is in transition.

PARKING PROPERTIES AND EQUITY-ACCOUNTED INVESTEEES

The Company has direct investments and a equity-accounted investees to hold its parking assets and a partnership for the residential development in Second Street.

Parking properties

The Company holds two direct Parking investments:

- Z Airport Parking (“Z Park”), an off-airport parking facility located in East Granby, Connecticut (Bradley International Airport).
- Fly Away Parking (“Fly Away Parking”), an off-airport parking facility located in Nashville, Tennessee (Nashville International Airport).

The operations of the Company’s direct parking investments in Nashville Fly Away Parking and Z Park are translated using average exchange rates for the period are summarized as follows:



	For the three months ended December 31, 2025	For the three months ended December 31, 2024	For the twelve months ended December 31, 2025	For the twelve months ended December 31, 2024
Parking properties revenue	\$ 1,038,770	\$ 1,117,319	\$ 4,591,530	\$ 3,718,062
Parking properties expenses	(1,088,644)	(986,600)	(4,533,074)	(2,938,012)
Parking properties net operating (loss) income	\$ (49,874)	\$ 130,719	\$ 58,456	\$ 780,050
Gross margin	N/A	12%	1%	21%

The Company's direct parking investments, Fly Away Parking and Z Park, had parking properties revenue of \$1,038,770 and \$4,591,530 respectively, for the three and twelve months ended December 31, 2025, compared to revenue of \$1,117,319 and \$3,718,062, respectively, for the three and twelve months ended December 31, 2024. The parking properties revenue is lower as its Fly Away Parking lost a long-term tenant for the secondary lot. To increase future revenue, the Company is entering into a partnership with a 3rd party aggregator to drive additional revenue into the secondary lot which will boost performance in the next fiscal year.

The Company had a parking properties net operating (loss) income of (\$49,874) and \$58,456 respectively, for the three and twelve months ended December 31, 2025, compared to a parking properties net operating income of \$130,719 and \$780,050, respectively, for the three and twelve months ended December 31, 2024. The decrease in income for the three and twelve months ended December 31, 2025 is due to slower revenue, but significant increase in cost due to weather, repairs and insurance premiums, especially with respect to the results at Z Park.

Overall, the US economy has faced an uncertain market environment and air travel has been declining. The Company continues to work with its parking manager to improve the operations and is evaluating all options including potential restructuring and strategic alternatives.

Investment in equity-accounted investee – PAVe LLC

Parkit's parking properties operating results include its share of profit or loss from equity-accounted investees. The share of profit or loss from equity-accounted investees includes the investment in the Company's equity-accounted investees, investment in associate, and long-term receivable.

The Company has an effective 24.39% equity interest in OP Holdings JV LLC ("OP Holdings"), an equity-accounted investee with Parking Real Estate, LLC ("PRE") and Sculptor Capital Management ("Sculptor"). The majority member of OP Holdings is a division of Sculptor, an institutional asset manager. OP Holdings has 2 assets:

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

The Company's subsidiary, Greenswitch America Inc. and Parking Real Estate, LLC ("PRE"), jointly created separate legal entities, Parking Acquisition Ventures, LLC ("PAVe LLC") and PAVe Admin, LLC ("PAVe Admin") to manage and oversee the parking assets of OP Holdings JV, LLC ("OP Holdings"), as an administrator.

The Company's share of income and loss in equity-accounted investees from PAVe LLC, inclusive of impairments of long-term receivables and investments in associates, from PAVe LLC and PRE, was an income of \$40,013 and a loss of \$7,365,278, respectively, for the three and twelve months ended December 31, 2025, compared to income of \$53,549 and a loss of \$431,812, respectively, for the three and twelve months ended December 31, 2024. The decrease in income for the three months ended December 31, 2025 is a result of a slight slowdown in operations. The loss for the twelve months ended December 31, 2025 is a result of the impairment of long-term receivable, impairment of



investment in associate and impairment of investment in equity-accounted investees, offset by a higher share of operations from the equity-accounted investee’s assets. The Company’s equity-accounted investees are summarized in the Financial Statements, note 8.

Investment in equity-accounted investee – 760 Second St GP

In November 2025, Parkit contributed the land and building at 568 Second Street to the newly formed investment, 760 Second St GP, at \$12,900,000 and redeemed 50% of its interest to two new partners for proceeds of \$3,225,000 and a note receivable of \$3,225,000. The remaining 50% interest is held equally by Decade Capital Corporation (“Decade”) and Southside Construction Management Limited (“Southside”). The Development Manager is Decade, who manages the daily operations, the 760 Second St GP requires a 75% voting threshold that must be met for any binding resolutions, including budgets, financing and capital allocation matters. For this reason, despite the Company retaining a 50% interest in the partnership, it is classified as a significant influence equity accounted investment in associate, as the Company requires agreement from one of the other partners for approval of relevant decisions. The development is expected to result in 543 residential units and 487,151 square feet of total GLA.

During the three and twelve months ended December 31, 2025, there was a net loss from the investment in 760 Second St GP of \$546, mainly as a result of incorporation costs (three and twelve months ended December 31, 2024 – \$Nil).

Summarized financial information of equity-accounted investees

The details of the equity-accounted investees are detailed below and can also be found in note 8 of the Financial Statements. The operations of the equity-accounted investees translated using average exchange rates for the period are summarized as follows:

	For the three months ended December 31, 2025	For the three months ended December 31, 2024	For the twelve months ended December 31, 2025	For the twelve months ended December 31, 2024
Share of operations from PAVe LLC	\$ 40,013	\$ 53,549	\$ 242,083	\$ (431,812)
Impairment in PAVe LLC ⁽ⁱ⁾	-	-	(5,677,289)	-
Impairment of long-term receivable ⁽ⁱⁱ⁾	-	-	(1,309,728)	-
Impairment from investment in associate ⁽ⁱⁱⁱ⁾	-	-	(620,344)	-
Share of income (loss) from PAVe LLC ^(iv)	40,013	53,549	(7,365,278)	(431,812)
Share of income (loss) from 760 Second St GP	(546)	-	(546)	-
Share of income (loss) from equity-accounted investees	\$ 39,467	\$ 53,549	\$ (7,365,824)	\$ (431,812)

- i. The Company recorded an impairment in its investment in PAVe LLC.
- ii. The Company recorded an impairment to its long-term receivable.
- iii. The Company recorded an impairment in its investment in associate.
- iv. The share of income (loss) from PAVe LLC are translated using average exchange rates for the period.



Investments at fair value

As part of the disposition of investment properties as outlined in Financial Statement note 7, the Company obtained share consideration with the breakdown as follows, and have recorded these financial assets at fair value:

	Number of shares		Share price		December 31, 2025
PRO Real Estate Investment Trust – Trust Units	4,305,674	\$	6.55	\$	28,202,165
PRO Real Estate Investment Trust – Class B LP Units	2,675,000		6.55		17,521,250
Balance at end of period	6,980,674	\$	6.55	\$	45,723,415

PROREIT is an unincorporated open-ended real estate investment trust which owns a portfolio of high-quality commercial real estate properties in Canada, with a strong industrial focus in robust secondary markets. The trust units of PROREIT trade on the Toronto Stock Exchange (the “TSX”). For the year ended December 31, 2025, the Company had purchased an additional 183,900 trust units, with an average price of \$5.92 per unit (December 31, 2024 - \$Nil).

The Class B LP Unit of PROREIT is exchangeable for a trust unit and is attached to a special voting unit of PROREIT providing for a voting right in PROREIT. As of December 31, 2025, both units pay a monthly distribution of \$0.0375. During the year ended December 31, 2025, the Company has recognized investment income of \$1,726,899 from the units (December 31, 2024 - \$Nil), and an unrealized fair value gain through profit and loss of \$5,586,645 due to changes in fair market value (December 31, 2024 - \$Nil).

Concurrent with the acquisition of the trust units and Class B LP units, PROREIT and Parkit have entered into an investor rights agreement providing for, among other things, pre-emptive rights for the purchase of trust units on a PROREIT offering, registration rights for the sale of the trust units (including Class B LP Units exchanged for Trust Units), the exercised right to nominate one trustee to PROREIT’s board of trustees, and certain lock-up and standstill provisions.

Additionally, the PROREIT units are pledged as security for debt as of December 31, 2025 (Financial Statement note 11).

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 December 31, 2025		Three months ended September 30, 2025		Three months ended June 30, 2025		Three months ended March 31, 2025	
Investment properties revenue	\$	6,232,784	\$	5,434,980	\$	7,750,540	\$	7,121,141
Investment properties expense		(1,854,525)		(1,412,368)		(2,487,027)		(2,235,105)
Net rental income⁽ⁱ⁾		4,378,259		4,022,612		5,263,513		4,886,036
Parking properties revenue ⁽ⁱⁱ⁾		1,038,770		1,204,236		1,209,801		1,138,723
Parking properties expense ⁽ⁱⁱⁱ⁾		(1,088,644)		(1,096,838)		(1,192,205)		(1,155,387)
Share of income (loss) from equity investees ^(iv)		39,467		195,528		(7,420,782)		(180,037)
Net parking (loss) income		(10,407)		302,926		(7,403,186)		(196,701)
Other income (loss)								
Gain on sale of investment properties ^(v)		1,960,932		-		24,804,916		-
Investment income ^(v)		756,506		728,458		241,935		-
Unrealized gain (loss) on investments at fair value ^(vi)		5,015,607		829,103		(258,065)		-
Realized and unrealized gain (loss) derivative of financial instruments		167,724		(40,163)		905,656		(635,154)
		7,900,769		1,517,398		25,694,442		(635,154)
Other expenses								
General, admin and other ^(vii)		553,507		733,270		465,603		673,681
Share-based compensation ^(viii)		205,371		-		-		-
Depreciation		1,779,946		1,777,770		2,386,474		2,391,473
Finance costs ^(ix)		1,909,496		2,008,727		2,543,366		2,509,827
		4,448,320		4,519,767		5,395,443		5,574,981
Income (loss) before tax		7,820,301		1,323,169		18,159,326		(1,520,800)
Income tax expense		(262,875)		-		-		-
Net income (loss) and comprehensive income (loss)	\$	7,557,426	\$	1,323,169	\$	18,159,326	\$	(1,520,800)
Per share – basic and diluted	\$	0.12	\$	0.01	\$	0.08	\$	(0.01)
FFO	\$	2,525,542	\$	2,236,385	\$	2,272,169	\$	1,681,551
FFO per share	\$	0.01	\$	0.01	\$	0.01	\$	0.01

- (i) Net rental income (“NRI”) has decreased in Q3 2025 as the Company has sold 8 properties during the year, offset partially by income from newly acquired properties and new leases that were signed.
- (ii) Parking property revenue has remained steady, with fluctuations due to seasonality.
- (iii) Parking properties expenses has increased significantly with increased repair costs, insurance expenses and weather related expenses.
- (iv) In Q2 of 2025, the Company had recorded a loss due to the impairment relating to the assets in PAVe LLC of the joint ventures.
- (v) In Q2 and Q4 of 2025, the Company had recorded a gain from the disposition of properties.
- (vi) Investment income and unrealized gain (loss) from investment at fair value are from the Company’s investment in PROREIT, which is expect to continue to generate income and value for the Company.
- (vii) General, admin and other expenses decreased slightly in 2025, mainly due to fluctuations in exchange rates.
- (viii) In Q4 2025, the share-based compensation remained comparable to the same period in 2024 because less options issued offset by a higher Black-Scholes valuation for each option issued.
- (ix) The finance costs had decreased during 2025 as the Company had repaid portions of its debt during the sale of investment properties, and in addition, due to the decrease in the average interest rate paid on its debt.

	Three months ended December 31, 2024	Three months ended September 30, 2024	Three months ended June 30, 2024	Three months ended March 31, 2024
Investment properties revenue	\$ 6,950,930	\$ 6,700,904	\$ 6,332,263	\$ 6,058,520
Investment properties expense	(1,988,173)	(2,161,317)	(2,075,498)	(2,028,104)
Net rental income ⁽ⁱ⁾	4,962,757	4,539,587	4,256,765	4,030,416
Parking properties revenue ⁽ⁱⁱ⁾	1,117,319	971,041	865,284	764,418
Parking properties expenses	(986,600)	(722,106)	(646,319)	(582,987)
Share of income (loss) from equity investees ⁽ⁱⁱⁱ⁾	53,549	(406,557)	43,634	(122,438)
Net parking income (loss)	184,268	(157,622)	262,599	58,993
Other income				
Unrealized gain (loss) on derivative of financial instruments ^(vi)	482,344	(1,407,304)	220,453	1,090,173
	482,344	(1,407,304)	220,453	1,090,173
Other expenses				
General and admin and other ^(iv)	894,994	574,612	632,122	650,996
Share-based compensation ^(v)	204,126	-	-	-
Depreciation	2,241,961	2,191,960	2,190,338	2,123,134
Finance costs ^(vii)	2,474,974	2,327,686	2,363,249	2,240,581
	5,816,055	5,094,258	5,185,709	5,014,711
(Loss) income before tax	(186,686)	(2,119,597)	(445,892)	164,871
Income tax expense ^(viii)	(219,163)	-	-	-
Net (loss) income and comprehensive (loss) income	\$ (405,849)	\$ (2,119,597)	\$ (445,892)	\$ 164,871
Per share – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ 0.00
FFO	\$ 2,017,349	\$ 1,839,044	\$ 1,509,102	\$ 1,379,969
FFO per share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01

- (i) Net rental income has continued to increase with the Company onboarding new investment properties, signing leases and renewing tenants.
- (ii) As of Q3 2024, the Company consolidated its 100% interest in Z Park. Parking revenues have improved with a growing market in Nashville, TN, and East Granby, CT, streamlined operations, and less financing costs.
- (iii) In Q1 and Q3 of 2024, the Company had a loss from its joint ventures resulting from higher financing costs and seasonality in the joint ventures operations.
- (iv) In Q4 2024, general and admin expenses increased as a result of one-time costs and an unrealized increase in foreign exchange. Core general and admin expenses were steady from quarter to quarter.
- (v) In Q4 2024, the share-based compensation decreased from the same period in 2023 because less options issued and a lower Black-Scholes valuation was calculated for each option issued.
- (vi) The fluctuations in the unrealized (gain) loss on derivative financial instruments are a result of changes to interest rates, as well as the approaching maturity dates of the swaps.
- (vii) The finance costs have remained steady throughout 2024 as the company has used swaps to fix most of its exposure to interest rate risk.
- (viii) The Company incurred tax expenses relating to one-time gains on its parking investments in 2023. The expense was recorded in Q4 2024.



SECTION 6 – LIQUIDITY AND CAPITAL RESOURCES

	Balance at December 31, 2025		Balance at December 31, 2024		Balance at December 31, 2023
Liquidity and leverage					
Cash	\$ 5,382,290	\$	5,476,859	\$	10,556,555
Working capital excluding long-term debt	\$ 2,397,792	\$	3,299,008	\$	8,991,583
Total assets	\$ 311,521,778	\$	330,657,403	\$	324,532,991
Total debt (loans and borrowings)	\$ 140,129,676	\$	179,099,563	\$	168,435,521
Total equity	\$ 164,399,327	\$	143,819,035	\$	149,187,430

Cash

Cash decreased to \$5,382,290 as at December 31, 2025 from \$5,476,859 as at December 31, 2024. 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 the disposition of investment properties, cash from operations, and proceeds from debt.

Working capital

Working capital excluding debt decreased to a balance of \$2,397,792 as at December 31, 2025 from \$3,299,008 as at December 31, 2024. The decrease in the working capital is a result of the higher accounts payable and lower accounts receivable for the period.

The Company has some debt maturing in 2026, with the expectation that the debts will be extended upon maturity. The majority of this debt has already fixed its interest rate with the use of interest rate swaps. This amount has been excluded while calculating working capital.

	Total
Current assets and liabilities	\$ 3,495,591
Short-term debt	(1,046,472)
Debt principal due on maturity in 2026	(30,572,258)
Current tenant deposit liabilities	(51,327)
Working capital	(28,174,466)
Debt principal due on maturity in 2026	30,572,258
Working capital excluding long-term debt maturity	\$ 2,397,792

Total assets

Total assets decreased to \$311,521,778 as at December 31, 2025 from \$330,657,403 as at December 31, 2024. The decrease is a result of the disposal of eight investment properties during the year, impairment assessment of investment in equity-accounted investee and long term receivable, and changes in working capital.

Total debt

Total debt decreased to \$140,129,676 as at December 31, 2025 from \$179,099,563 as at December 31, 2024. The decrease in debt is a result of \$27,071,475 debt received from credit facilities less the repayment of \$65,669,207 to the Company's debt with the balance being accrued debt costs, and the difference resulting from foreign exchange loss and debt issuance costs. The majority of the debt was repaid on the disposition of investment properties.

Total equity

Total equity increased to \$164,399,327 as at December 31, 2025 from \$143,819,035 as at December 31, 2024. The increase is a result of the net income for the period and shares repurchased as part of the Company's NCIB program.

DEBT SUMMARY

The following table summarizes the debt as of December 31, 2025 and December 31, 2024.

	December 31, 2025			December 31, 2024		
	Rate range	Weighted average	Balance	Rate range	Weighted average	Balance
Mortgages:						
At amortized cost - fixed ⁽ⁱ⁾	2.31% - 6.87%	4.99%	\$ 47,396,877	2.31% - 6.87%	5.08%	\$ 33,410,511
	<i>Maturity: Jan 2026 to Dec 2030</i>			<i>Maturity: Jan 2024 to Dec 2025</i>		
At FVTPL - Mortgage			8,147,324			12,534,840
- Fixed via interest rate swap ⁽ⁱⁱ⁾			<u>(261,452)</u>			<u>(395,542)</u>
		3.49%	<u>7,885,872</u>		3.56%	<u>12,139,298</u>
	<i>Maturity: Nov 2029</i>			<i>Maturity: May 2025 to Nov 2029</i>		
Credit facilities:						
At FVTPL - Credit facilities ^(iii, iv)		4.69%	10,842,604		5.72%	9,507,230
At FVTPL - Credit facilities ⁽ⁱⁱⁱ⁾			73,937,068			124,389,587
- Fixed via interest rate swap ^(v)			<u>562,932</u>			<u>110,413</u>
		5.45%	<u>74,500,000</u>		5.49%	<u>124,500,000</u>
	<i>Maturity: Mar 2026 to Mar 2027</i>			<i>Maturity: Jan 2025 to Mar 2026</i>		
Total debt ^(vi)		5.13%	140,625,353		5.30%	179,557,039
Financing costs, net ^(vii)			(495,677)			(457,476)
Carrying value ^(viii)			\$ 140,129,676			\$ 179,099,563
Current debt			\$ 31,453,921			\$ 78,894,203
Non-current debt			\$ 108,675,755			\$ 100,205,360

i. Included in these figures is a mortgage payable in USD, with a balance of \$4,112,644 USD as at December 31, 2025 (December 31, 2024 – \$4,183,673) with an amortization period of 25 years. The remainder of the mortgages are payable in CAD with an amortization period of 24 years.

ii. The mortgage maturing in January 2026 was renewed subsequent to year end, see Financial Statement note 25 for more details.

iii. The mortgage models a fixed rate mortgage with a set interest rate of 3.49%, amortizing with fixed monthly

payments over 25 years, with a term of 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 December 31, 2025, the interest rate swap on mortgages had a net financial asset position of \$261,452 (December 31, 2024 – \$395,542).

- iv. Included in the credit facilities is a revolving line of credit of \$72,000,000 of which \$45,342,604 has been drawn upon at December 31, 2025 (December 31, 2024 – \$55,000,000 line of credit with \$44,007,230 drawn), resulting in a remaining line of credit available of \$26,657,396 (December 31, 2024 – \$10,992,770). The drawn amount includes \$44,383,184 in CAD and the remainder in USD (December 31, 2024 – \$43,000,000 in CAD). The interest rate applicable to the available line of credit will be determined in accordance with the prevailing variable interest rate.
- v. The balance includes a USD balance of \$700,000 (\$959,420 CAD) as at December 31, 2025 (December 31, 2024 - \$700,000 (\$1,007,230 CAD)).
- vi. The Company has entered into a series of swap agreements to fix the interest rate between 5.10% to 5.72% on the \$74,500,000 combined revolving and non-revolving line of credit, for the remainder of the loan term, which has five swaps maturing in March 2026 to March 2027. The swap contracts require settlement of net interest receivable or payable every 30 days and have been accounted for at FVTPL. As of December 31, 2025, the interest rate swap on mortgages was in a financial liability position amounting to \$562,932 (December 31, 2024 – financial liability position \$110,413). The unrealized fair value of the swap position after loan maturity is detailed in Financial Statement note 12.
- vii. The mortgages and lines of credit are collateralized by first charges on specific investment properties (Financial Statement note 5) and parking properties (Financial Statement note 6), and investments at fair value (Financial Statement note 7).
- viii. The deferred financing costs consist of fees and costs incurred to obtain the related debt. The net balance of deferred financing costs is \$1,100,238 as at December 31, 2025 (December 31, 2024 - \$758,994).
- ix. See Financial Statements note 24 for additional disclosure on the estimated fair value of the debt.

The following table provides a continuity of total debt for the years ended December 31, 2025 and December 31, 2024.

	December 31, 2025	December 31, 2024
Balance at beginning of year	\$ 179,099,563	\$ 168,435,521
Proceeds from debt ⁽ⁱ⁾	27,071,475	10,895,478
Proceeds from debt costs	(387,364)	(63,769)
Debt repayment ⁽ⁱ⁾	(65,669,207)	(1,076,939)
Change in fair value of mortgage payable measured at FVTPL	(586,609)	(2,548,440)
Change in fair value of interest rate swap on underlying debt	586,609	2,548,440
Amortization of debt costs	341,244	346,200
Unrealized foreign exchange	(326,035)	563,072
Balance at end of year	\$ 140,129,676	\$ 179,099,563



- i. Proceeds from debt is net of debt repayments on the revolving credit facility at a financial institution.

Principal repayments on mortgages are estimated as follows:

	Total
2026 ⁽ⁱ⁾	\$ 31,618,730
2027 ⁽ⁱ⁾	65,942,100
2028	6,453,111
2029 ⁽ⁱ⁾	7,704,528
2030 ⁽ⁱ⁾	28,906,884
	\$ 140,625,353

- 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 11, 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 March 2026 to April 2026, at the option of the lender. The fair value of the financial instrument as at December 31, 2025 is an unrealized derivative liability of \$371,877 (December 31, 2024 – \$1,580,041). The overall swap positions, up until its final maturity for all of the Company's swaps, are a financial liability of \$673,357 (December 31, 2024 – financial asset of \$1,294,912).

	December 31, 2025	December 31, 2024
Fair value of swap to maturity – financial liability ⁽ⁱ⁾	673,357	1,294,912
Fair value of swap offset against mortgages (Financial Statement note 11) ⁽ⁱⁱ⁾	261,452	395,542
Fair value of swap offset against credit facilities (Financial Statement note 11) ⁽ⁱⁱⁱ⁾	(562,932)	(110,413)
Unrealized fair value of derivative liabilities ⁽ⁱⁱⁱ⁾	\$ 371,877	\$ 1,580,041

- 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.

EQUITY

Shares outstanding

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

- 212,841,554 issued and outstanding common shares (December 31, 2025 – 213,296,054)
- 15,518,000 common share stock options outstanding (December 31, 2025 – 15,518,000)

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

	Number	Amount
Balance as at December 31, 2024	223,111,432	\$ 164,765,050
Purchased and cancellation of common shares under NCIB	(9,815,378)	(7,250,970)
Balance as at December 31, 2025	213,296,054	\$ 157,514,080

In March 2025, the Company renewed the NCIB program to purchase for cancellation, during the 12-month period starting March 28, 2025, where the Company can purchase up to 11,088,361 of the outstanding common shares of the Company. The program will end on March 27, 2026. 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 year ended December 31, 2025, the Company purchased and cancelled 9,815,378 (December 31, 2024 – 4,780,230) common shares pursuant to its NCIB for a total of \$5,144,200 (December 31, 2024 – \$2,766,054) at an average price of \$0.52 (December 31, 2024 – \$0.58) per share. The Company's share capital was reduced by \$7,250,970 (December 31, 2024 – \$3,586,648) for the value of the shares purchased for cancellation with the excess of \$2,106,770 paid under the value recognized as a change in retained earnings (deficit) (December 31, 2024 – the excess of \$820,594 under the value recognized as a change in the retained earnings (deficit)).

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	1,588,500	\$0.60
Expired	(550,000)	\$1.36
Balance as at December 31, 2024	14,192,000	\$1.15
Granted	1,371,000	\$0.56
Expired	(45,000)	\$0.66
Balance as at December 31, 2025	15,518,000	\$1.10

As at December 31, 2025, the following stock options were outstanding and exercisable:

Exercise price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
\$0.56	1,371,000	1,371,000	10.00
\$0.60	1,563,500	1,563,500	9.00
\$0.63	2,163,500	2,163,500	8.00
\$1.05	3,450,000	3,450,000	7.06
\$1.50	6,970,000	6,970,000	5.73
	15,518,000	15,518,000	7.05



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:

	December 31, 2025	December 31, 2024
FV of unencumbered assets available to be encumbered	\$ -	\$ 16,862,000
Estimated borrowing capacity on unencumbered assets ⁽ⁱ⁾	-	9,274,100
Cash	5,382,290	5,476,859
Available financing based on existing credit facilities ⁽ⁱⁱ⁾	26,657,396	10,992,770
Additional estimated borrowing capacity (above)	-	9,274,100
Estimated available liquidity ⁽ⁱⁱⁱ⁾	\$ 32,039,686	\$ 25,743,729

- i. The estimated borrowing capacity is calculated at 55% of the value of the unencumbered assets.
- ii. The Company has a facility with a bank for a revolving line of credit of \$72,000,000, of which \$45,342,604 has been drawn upon, resulting in a remaining line of credit available of \$26,657,396. See Financial Statement note 11 for more details.
- iii. For December 31, 2025, the estimated available liquidity was \$32,039,686, compared to \$25,743,729 for December 31, 2024. The available liquidity increased as the Company increased its credit facility, disposed of investment properties for a gain, but was offset by liquidity used to close the acquisition of 1650 Blvd Lionel Bertrand, Boisbriand, Quebec and 16630 114th Avenue NW, Edmonton, Alberta. The Company expects to use a combination of the estimated available liquidity, proceeds from debt and issuance of shares to acquire future investment properties.



CASH FLOW SUMMARY

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

	December 31, 2025	December 31, 2024
Cash flows from operating activities	\$ 14,007,421	\$ 15,737,461
Cash flows from (used in) investing activities	39,186,124	(19,605,476)
Cash flows used in financing activities	(53,270,626)	(1,317,428)
Decrease in cash and cash equivalents	(77,081)	(5,185,443)
Foreign exchange effect on cash	(17,488)	105,747
Cash balance, beginning of the year	5,476,859	10,556,555
Cash balance, end of year	\$ 5,382,290	\$ 5,476,859

Operating activities:

The Company received net cash of \$14,007,421 in operating activities for the twelve months ended December 31, 2025, compared to cash flow from operations of \$15,737,461 for the twelve months ended December 31, 2024. The decrease in operating cash flows is a result of a reduction of investment property revenue, there was a net decrease of 6 properties that were disposed of during the year.

Investing activities:

The Company received net cash of \$39,186,124 in investing activities for the twelve months ended December 31, 2025, compared to cash used of \$19,605,476 for the twelve months ended December 31, 2024. The increase in net cash received is a result of the portfolio disposition of 8 investment properties, offset by the investments at fair value consideration received as part of the investment property disposition.

Financing activities:

The Company used net cash of \$53,270,626 for financing activities for the twelve months ended December 31, 2025, compared to net cash used of \$1,317,428 for the twelve months ended December 31, 2024. The increase in cash used was a result of debt being repaid upon the disposition of investment properties, less amounts paid for Company shares purchased under NCIB, additional of debt utilized for the acquisition of investment properties, interest paid and debt costs.



SECTION 7 – DISCLOSURES

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

The Company does not have any off-balance sheet arrangements or contingencies as at December 31, 2025.

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 December 31, 2025	For the three months ended December 31, 2024	For the twelve months ended December 31, 2025	For the twelve months ended December 31, 2024
Total for all senior management				
Salaries, fees, and benefits	\$ 87,018	\$ 94,213	\$ 348,072	\$ 348,071
Share-based compensation	108,602	106,014	108,602	106,014
	195,620	200,227	456,674	454,085
Total for all directors				
Director fees	36,000	36,000	144,000	144,000
Share-based compensation	44,939	38,551	44,939	38,551
	80,939	74,551	188,939	182,551
Property expenses and other general operating expenses				
Investment properties expenses	359,502	346,423	1,485,026	1,356,386
Professional fees and other administrative expenses	444,492	448,164	1,801,935	1,778,630
Finance costs	66,821	11,932	163,029	67,405
	870,815	806,519	3,449,990	3,202,421
Total	\$ 1,147,374	\$ 1,081,297	\$ 4,095,603	\$ 3,839,057

Transactions with related parties

The Company entered into a property management agreement with Access Results Management Services Inc. ("ARMS") in December 2020, which was automatically renewed on December 29, 2025 for an additional 5 year term. ARMS and the Company are related by having common members on its Board of Directors. The Company also receives invoices from ARMS and its related companies for construction, maintenance and other services related to the day-to-day operations, including accounting, financial, property and executive management.



- For the three and twelve months ended December 31, 2025, the Company incurred property management fees and other rental and general operating expenses totalling \$870,815 and \$3,449,990, respectively, from ARMS and its related companies (three and twelve months ended December 31, 2024 - \$806,519 and \$3,202,421, respectively) of which \$87,018 and \$348,072 of key management personnel compensation was included in the table above (December 31, 2024 - \$94,213 and \$348,071, respectively).
- For the twelve months ended December 31, 2025, \$1,313,363 of construction costs incurred through ARMS and its related companies have been capitalized to investment properties (twelve months ended December 31, 2024 - \$392,814).
- Amounts due to and from ARMS and its related companies at December 31, 2025 includes \$1,225,885 in accounts payable and accrued liabilities (December 31, 2024 - \$710,921), and \$427,750 in accounts receivable (December 31, 2024 - \$393,562).

The Company had acquired the investment property at 1650 Blvd Lionel Bertrand, Boisbriand, Quebec from a vendor managed by two directors of the Company, for an aggregate purchase price \$10,250,000 on February 6, 2025, subject to customary adjustments.

During the year, the Company transferred the property at 568 Second Street to the 760 Second St GP, in which it retains a 50% interest, for total consideration of \$12,900,000 (Financial Statement note 8). The consideration was satisfied entirely through partnership units representing the Company's interest in the GP, based on a stated value of \$1 per unit. As the transaction is a downstream transfer to an associate, only 50% of the gain from the sale has been recognized in profit or loss for the year ended December 31, 2025. The remaining gain has been eliminated under the equity method.

For the three and twelve months ended December 31, 2025, the Company earned \$877,218 and \$3,395,991, respectively, in investment properties revenues from leases with companies managed by two directors of the Company (three and twelve months ended December 31, 2024 - \$424,957 and \$1,636,924, respectively).

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, the Company has a commitment to contribute up to 5% of any capital call made by the OP Holdings joint venture. Capital calls will be made for the purpose of acquiring new parking real estate assets as jointly agreed by the members, and at other times as the joint venture may require working capital. OP Holdings is in compliance on its borrowing covenants as of December 31, 2025. OP Holdings has \$2,000,000 USD in cash and no capital call has been made and no provision has been accrued by the Company relating to this commitment (December 31, 2024 – \$Nil), as no additional contributions are expected.

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

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 and distressed commercial real estate market have contributed to increased market volatility and a weakened business and consumer confidence. Market uncertainty, including the impact of tariffs imposed by any country, can also adversely impacted on the ability of the Company's tenants and operators to maintain occupancy rates in properties which could harm the Company's financial condition.

If inflation remains 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

The Company may require additional financing in order to fund the Company's operations or business expansion. The Company is subject to risks associated with both debt and equity financing. The Company's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the business success. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. 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, the Company may not be able to operate its 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 its ability to secure terms for interest payments that would undermine the Company's intended profitability, along with amortization schedules that won't restrict the capability to fulfill capital requirements and interest payments on debt. Additionally, there is the potential for future financing agreements with variable interest rates, in addition to the existing variable rate components. The Company may face the risk of ongoing interest rate increases, which could lead to a substantial upswing in its 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 the Company's ability to divest any of its properties.

Competition

In the real estate business, the Company faces significant competition with developers, managers and owners of investment properties competing to acquire properties and also seek tenants. The Company's competitors may be better capitalized and have stronger financial positions, 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 depending on the provisions of the lease. 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 including demand for underground and off airport parking, 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 investment properties are 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 equity-accounted investees 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 the Company's business strategy, its plans are 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 the Company may not be negatively affected by changes to regulatory or legal frameworks in Canada and United States, including but not limited to possible tariffs, taxation, safety or other regulations. Changes to government, legislation, regulatory authorities, or other administrations can shift the way laws are applied.

The Company's 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 its 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 is crucial to recognize the potential threats from activities like greenhouse gas emissions. The Company is aware of the risk that its properties and tenants could be affected by government initiatives, leading to operational constraints and financial costs. Non-compliance may result in fines and impact the Company's reputation and operations. Additionally, the Company's properties and tenants may face challenges from climate change-related events, potentially disrupting operations and incurring additional expenses such as 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 the Company's instructions, requests, policies, or goals regarding its 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 the Company's 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 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 the Company's ability to sell an interest in a property or joint venture within the desired timeframe or on the terms we prefer.
- (v) The risks that the joint venture may require capital requirements or financing from third parties.

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 the Company's 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 the Company's directors and officers to develop its business and operations, and the services of the Company's 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 the Company's business, results of operations, ability to implement its business plans, and financial condition. The Company's success is also highly dependent on its 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. The Company's inability to attract and retain highly qualified technical, sales, marketing and management personnel may adversely affect its 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 Company's operating expenses could be materially increased. We do not currently maintain corporate life insurance policies on key employees.

Currency fluctuations

The Company's revenue and operating expenses are incurred in Canadian and US dollars. Fluctuations in the exchange rate between the Canadian and US dollar may have a material adverse effect on the Company's 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.

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.

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

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, state 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

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and other price 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 has utilized fixed rate debt and interest rate swaps to minimize the Company's exposure to fluctuations in interest rates on its current debt.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, long-term receivable, debt, accounts payable and accrued liabilities, and debt denominated in USD. A 1% fluctuation in the USD against the CAD would affect net income for the year by \$62,000.

The Company's main foreign currency risk comes from its investment and associated financing for the equity-accounted investee through PAVe LLC, and its parking properties located in the USA.

c) Price risk

The Company is exposed to price risks with respect to equity prices. The Company's equity price risk is a result of a potential adverse impact on a company's investment in PRO Real Estate Investment due to movements in prices or general movements in the level of the stock market. A 1% fluctuation in the market equity price would affect net income (loss) for the year by \$457,000.