



PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

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This Management’s Discussion and Analysis (“MD&A”) is prepared as of November 6th, 2025, and outlines the business strategy, risk profile, business outlook and analysis of financial performance and financial position of Parkit Enterprise Inc. (“Parkit,” or “the Company”) for the three and nine months ended September 30, 2025 (“Q3”). This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements and accompanying notes for the three months ended September 30, 2025 (the “Financial Statements”).

This MD&A is based on financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts are in Canadian dollars (“CAD”), unless otherwise stated.

REVIEW AND APPROVAL BY THE BOARD OF DIRECTORS

The Board of Directors approved the contents of this MD&A on November 6th, 2025.

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 "aim", "anticipate", "assume", "believe", "budget", "could", "continue", "estimate", "expect", "intend", "likely", "may", "objective", "outlook", "plan", "potential", "predict", "project", "seek", "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 into 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 for investment properties 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 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. The stabilized comparative properties NOI, is NOI excluding NOI from acquisitions, adjustments from straight-line rent and NOI from unstabilized properties. The Company reconciles the Stabilized comparative properties NOI to Net rental income. This non-GAAP financial measure is not defined by IFRS Accounting Standards, the measure 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 or disposed on or after the beginning of the prior year period. For the three and nine months ended September 30, 2025, and September 30, 2024, the Company excludes investment properties acquired or disposed on or after January 1, 2024.

MATERIAL ACCOUNTING POLICIES

The Company’s material accounting policies are described in Note 2 to its unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2025. There has been no change in material accounting policies from the Company’s audited consolidated annual financial statements from December 31, 2024. 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, 2024.

SECTION 2 – OVERALL PERFORMANCE AND STRATEGY

Business Overview

Parkit Enterprise is an industrial real estate platform focused on the acquisition, growth and management of strategically located industrial properties across key urban markets in Canada. In addition, Parkit has parking assets across key markets in the United States of America (“USA”).

Strategic Direction

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

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

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

Parkit’s investment strategy is to maximize shareholder value through growing income streams, acquisitions of high-quality assets, and increasing the intrinsic value of portfolio assets. It is anticipated that targeted acquisitions will have a combination of current and growing free cash flow, opportunities for yield enhancement and in certain circumstances opportunity for repositioning and expansion. Combined, these factors should increase the Company’s value significantly over time. While Parkit’s investment properties 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.

Industrial Properties Business Update

In Q3 2025, Parkit acquired a 99,690 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 PRO Real Estate Investment Trust (“PROREIT”) (TSX: PRV.UN) 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 September 30, 2025, Parkit’s investment in PROREIT provides an approximate current yield of 7.75%.

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.

BUSINESS OUTLOOK

In the Company's key markets, the fundamentals have slowed, with some markets experiencing a decrease in asking rental rates and availability rates.

Key market	Net asking rents (psf) ¹		Availability rates ¹	
	Q3 2025	Q2 2025	Q3 2025	Q2 2025
Toronto, ON	\$16.59	\$16.93	5.1%	5.2%
Montreal, QC	\$14.24	\$14.68	6.5%	5.8%
Ottawa, ON	\$16.68	\$16.89	4.6%	3.5%
Winnipeg, MB	\$11.35	\$11.52	3.3%	3.2%
Regina, SK	\$12.28	\$12.01	2.5%	2.5%
Edmonton, AB	\$11.20	\$11.18	4.5%	5.2%

1. Per CBRE and Colliers – Canada Q3 2025 Quarterly Statistics

The capitalization rates for investment properties have increased year to date in most markets due to purchaser expectations, increasing availability rates and declining net asking rents. While the previous increases in interest rates have cause purchasers of industrial real estate to re-evaluate their acquisition criteria, interest rates have continued to decline. The current decline in interest rate have not seen a corresponding decrease in capitalization rates. It remains to be seen whether the decrease in current interest rates will change the long-term outlook for the fair value of industrial investment properties and the total financing available against all properties.

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. The Company added a new investment property in Q3, and 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, the Company'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 Q3 with 1,303,370 sf in stabilized gross leasable area with in-place escalations and tenants continuing to renew leases at market rates. The Company will continue to advance its development projects, maximize its leasing activity and improve property management operations.

Parking Properties and Joint Ventures

The Company holds a joint venture and direct investments, which manages various parking assets in the USA.

OP Holdings joint venture

The Company's parking asset includes a joint venture which holds an effective 24.39% equity interest in OP Holdings JV LLC ("OP Holdings"). On April 22, 2015, the Company entered into a joint arrangement with Parking Real Estate, LLC ("PRE") and Sculptor Capital Management ("Sculptor") to form OP Holdings. The majority member of OP Holdings is a division of Sculptor, an institutional asset manager. OP Holdings has 2 assets:

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

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

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

Environmental	• member of Canada Green Building Council, national environmental non-for-profit • Canopy Airport Parking, Denver, CO is LEED-certified Gold and Green Garage Certified • registered with Energy Star to monitor energy use and minimize environmental footprint • participation in Earth Day and other initiatives to bring awareness to environmental issues • utilization of solar panels and planning for the expansion of solar panels • review of solar opportunities with availability of new 30% investment tax credit • upgrade to energy-efficient lighting and exterior LED lighting for safety • exploring for and applying for incentives for energy, water, and waste audits • review of American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standards and Indoor Air Quality testing where needed • installation of new water feed to reduce overall water consumption at certain properties • paperless administration including cloud-based systems and records distribution
Social	• ensure safe working conditions and adherence to occupational health and safety standards • community involvement and charitable initiatives • support wellness through continuing education for employees • ensure safe conditions through adherence to occupational health and safety standards
Governance	• 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 44%

SECTION 3 – FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

Select Financial Information (Unaudited)	Three months ended September 30, 2025		Three months ended September 30, 2024		Nine months ended September 30, 2025		Nine months ended September 30, 2024	
Operating results								
Investment properties revenue	\$	5,434,980	\$	6,700,904	\$	20,306,661	\$	19,091,687
Net rental income	\$	4,022,612	\$	4,539,587	\$	14,172,161	\$	12,826,768
Net parking and equity-accounted income (loss)	\$	302,926	\$	(157,622)	\$	(7,296,961)	\$	163,970
Net income (loss)	\$	1,323,169	\$	(2,119,597)	\$	17,961,695	\$	(2,400,618)
Net income (loss) per share	\$	0.01	\$	(0.01)	\$	0.08	\$	(0.01)
Funds from operations (“FFO”)	\$	2,236,385	\$	1,839,044	\$	6,190,105	\$	4,728,177
FFO per share	\$	0.01	\$	0.01	\$	0.03	\$	0.02
Stabilized comparative properties NOI	\$	3,133,565	\$	2,903,614	\$	9,418,563	\$	8,641,660
Stabilized comparative properties NOI % change		8%		16%		9%		19%
Weighted avg shares outstanding		215,963,137		223,417,732		219,530,700		225,733,306
Liquidity and leverage								
Cash					\$	4,355,385	\$	7,752,849
Working capital excl debt ¹					\$	4,486,842	\$	6,777,981
Total assets					\$	311,354,340	\$	324,795,715
Total debt (loans and borrowings)					\$	146,586,934	\$	171,341,109
Total equity					\$	158,099,250	\$	144,193,834
Weighted avg mortgage term (years)						2.2		1.9
Weighted avg effective mortgage rate						5.15%		5.37%
Investment properties								
Properties acquired						2		1
Number of properties (cumulative) ²						21		24
Site area (acres) (cumulative)						104.7		133.7
In-place gross leasable area (“GLA”) (sf) ^{3, 4}						1,575,370		1,955,120
Expansion GLA in development (sf) (iv) ⁵						271,050		271,050
GLA after stabilized & expansion (sf)						1,846,420		2,226,170
In-place occupancy rate ⁶						100%		98%
Average in-place net rent						\$13.61		\$12.33
Weighted average lease term (“WALT”) (years)						4.6		4.7

- Working capital excl debt does not include short term portion of long-term debt, see section 6
- For the nine months ended September 30, 2024, Parkit started with 24 properties and sold a portfolio of 6 industrial properties and acquired 3 properties to total 21 properties at September 30, 2025
- For the nine months ended September 30, 2025, in-place GLA is split into stabilized in-place GLA of 1,303,370 sf and development in-place GLA of 272,000 sf
- For the nine months ended September 30, 2024, in-place GLA is split into stabilized in-place GLA of 1,683,120 sf and development in-place 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
- Square feet (“sf”)

SECTION 4 – DISCUSSION OF OPERATIONS

SEGMENTED INFORMATION

The Company operates in two reportable business segments as at September 30, 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 September 30, 2025	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	\$ 5,434,980	\$ -	\$ -	\$ 5,434,980
Investment properties expenses	(1,412,368)	-	-	(1,412,368)
Net rental income	4,022,612	-	-	4,022,612
Parking properties revenue	-	1,204,236	-	1,204,236
Parking properties expenses	-	(1,096,838)	-	(1,096,838)
Share of income from equity-accounted investees	-	195,528	-	195,528
Net parking income	-	302,926	-	302,926
Other (income) expenses				
Investment income	-	-	(728,458)	(728,458)
General and administrative expenses and other income	-	(31,329)	764,599	733,270
Realized and unrealized loss on derivative financial instruments	-	-	40,163	40,163
Unrealized gain on investments at fair value	-	-	(829,103)	(829,103)
Depreciation	-	-	1,777,770	1,777,770
Finance costs	-	-	2,008,727	2,008,727
	-	(31,329)	3,033,698	3,002,369
NET INCOME (LOSS)	\$ 4,022,612	\$ 334,255	\$ (3,033,698)	\$ 1,323,169
Additions:				
Investment properties (Financial Statement note 3)	\$ 11,536,353	\$ -	\$ -	\$ 11,536,353

For the three months ended September 30, 2024	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	\$ 6,700,904	\$ -	\$ -	\$ 6,700,904
Investment properties expenses	(2,161,317)	-	-	(2,161,317)
Net rental income	4,539,587	-	-	4,539,587
Parking properties revenue	-	971,041	-	971,041
Parking properties expenses	-	(722,106)	-	(722,106)
Share of loss from equity-accounted investees	-	(406,557)	-	(406,557)
Net parking loss	-	(157,622)	-	(157,622)
Other (income) expenses				
General and administrative expenses and other income	-	(33,762)	608,374	574,612
Unrealized loss on derivative financial instruments	-	-	1,407,304	1,407,304
Depreciation	-	-	2,191,960	2,191,960
Finance costs	-	-	2,327,686	2,327,686
	-	(33,762)	6,535,324	6,501,562
NET INCOME (LOSS)	\$ 4,539,587	\$ (123,860)	\$ (6,535,324)	\$ (2,119,597)
Additions:				
Investment properties (Financial Statement note 3)	\$ 168,614	\$ -	\$ -	\$ 168,614
Parking properties (Financial Statement note 4)	\$ -	\$ 2,173,940	\$ -	\$ 2,173,940

For the nine months ended September 30, 2025	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	\$ 20,306,661	\$ -	\$ -	\$ 20,306,661
Investment properties expenses	(6,134,500)	-	-	(6,134,500)
Net rental income	14,172,161	-	-	14,172,161
Parking properties revenue	-	3,552,760	-	3,552,760
Parking properties expenses	-	(3,444,430)	-	(3,444,430)
Share of loss from equity-accounted investees	-	(7,405,291)	-	(7,405,291)
Net parking loss	-	(7,296,961)	-	(7,296,961)
Other (income) expenses				
Gain on disposition	(24,804,916)	-	-	(24,804,916)
Investment income	-	-	(970,393)	(970,393)
General and administrative expenses and other income	-	(94,908)	1,967,462	1,872,554
Realized and unrealized gain on derivative financial instruments	-	-	(230,339)	(230,339)
Unrealized gain on investments at fair value	-	-	(571,038)	(571,038)
Depreciation	-	-	6,555,717	6,555,717
Finance costs	-	-	7,061,920	7,061,920
	(24,804,916)	(94,908)	13,813,329	(11,086,495)
NET INCOME (LOSS)	\$ 38,977,077	\$ (7,202,053)	\$ (13,813,329)	\$ 17,961,695
Additions:				
Investment properties (Financial Statement note 3)	\$ 24,147,179	\$ -	\$ -	\$ 24,147,179
Dispositions:				
Investment properties (Financial Statement note 3)	\$ 66,745,619	\$ -	\$ -	\$ 66,745,619

For the nine months ended September 30, 2024	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	\$ 19,091,687	\$ -	\$ -	\$ 19,091,687
Investment properties expenses	(6,264,919)	-	-	(6,264,919)
Net rental income	12,826,768	-	-	12,826,768
Parking properties revenue	-	2,600,743	-	2,600,743
Parking properties expenses	-	(1,951,412)	-	(1,951,412)
Share of loss from equity-accounted investees	-	(485,361)	-	(485,361)
Net parking income	-	163,970	-	163,970
Other (income) expenses				
General and administrative expenses and other income	-	(100,995)	1,958,725	1,857,730
Unrealized loss on derivative financial instruments	-	-	96,678	96,678
Depreciation	-	-	6,505,432	6,505,432
Finance costs	-	-	6,931,516	6,931,516
	-	(100,995)	15,492,351	15,391,356
NET INCOME (LOSS)	\$ 12,826,768	\$ 264,965	\$ (15,492,351)	\$ (2,400,618)
Additions:				
Investment properties (Financial Statement note 3)	\$ 6,979,035	\$ -	\$ -	\$ 6,979,035
Parking properties (Financial Statement note 4)	\$ -	\$ 2,173,940	\$ -	\$ 2,173,940

FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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.

Investment properties revenue fell declined to \$5,434,980 and \$20,306,661 respectively, for the three and nine months ended September 30, 2025, compared to \$6,700,904 and \$19,091,687, respectively for the three and nine months ended September 30, 2024. The decrease in revenue from investment properties is due to the sale of the Winnipeg Portfolio, offset partially by an increase in rental rates on existing properties and new revenue from acquisitions made by the Company.

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

Investment properties expenses decreased to \$1,412,368 and \$6,134,500 respectively, for the three and nine months ended September 30, 2025, compared to \$2,161,317 and \$6,264,919 respectively, for the three and nine months ended September 30, 2024. For the three and nine months ended September 30, 2025, expenses decreased due sale of the Winnipeg Portfolio, offset partially by an increase due to the net reduction in investment properties during the quarter.

Net rental income decreased and increased to \$4,022,612 and \$14,172,161 respectively, for the three and nine months ended September 30, 2025, compared to \$4,539,587 and \$12,826,768, respectively, for the three and nine months ended September 30, 2024. The net rental income decreased for the three months ended September 30, 2025 as the Company had fewer investment properties, whereas there was an increase for the nine months ended September 30, 2025 as the company had overall more properties on average and had new leases commence. The stabilized investment properties are properties with long term leases in place, while in-development and in-transition properties include properties that are in the planning, development stage, or are transitioning to a different use.

Stabilized properties ⁽ⁱⁱⁱ⁾		In-transition and in-development properties
5600 Finch Ave East 4390 Paletta Crt 1165 Kenaston St 1151-1181 Parisien St 1665 Blvd Lionel-Bertrand 5610 Finch Ave East ⁽ⁱ⁾ 3455 Mainway Dr 5300 Harvester Rd 1155 Lola St 1485 Speers Rd	555 Camiel Sys St 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 ⁽ⁱ⁾	415 Legget Dr ⁽ⁱⁱ⁾ 568 Second St ⁽ⁱⁱ⁾

(i) 5610 Finch Ave East and 720 Tapscott Rd are stabilized with a medium term lease until development in 2028.

(ii) 415 Legget Dr and 568 Second St are repositioning; the properties may have interim revenue during this process.

(iii) 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.

Investment properties – owned and disposed

The Company disposed six of its Winnipeg assets which were stabilized. The Company still maintains a growing portfolio of stabilized assets with increasing gross margins for the three and nine months ended September 30, 2025, compared to the three and nine months ended September 30, 2024.

	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Investment properties owned	Investment properties disposed	Total	Investment properties owned	Investment properties disposed	Total
Investment properties revenue	\$ 5,369,872	\$ 65,108	\$ 5,434,980	\$ 4,585,857	\$ 2,115,047	\$ 6,700,904
Investment properties expenses	(1,347,260)	(65,108)	(1,412,368)	(1,546,866)	(614,451)	(2,161,317)
Net rental income	\$ 4,022,612	\$ -	\$ 4,022,612	\$ 3,038,991	\$ 1,500,596	\$ 4,539,587
Gross margin	75%	N/A	74%	66%	71%	68%

	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Investment properties owned	Investment properties disposed	Total	Investment properties owned	Investment properties disposed	Total
Investment properties revenue	\$ 15,926,449	\$ 4,380,212	\$ 20,306,661	\$ 13,372,898	\$ 5,718,789	\$ 19,091,687
Investment properties expenses	(4,627,234)	(1,507,266)	(6,134,500)	(4,475,184)	(1,789,735)	(6,264,919)
Net rental income	\$ 11,299,215	\$ 2,872,946	\$ 14,172,161	\$ 8,897,714	\$ 3,929,054	\$ 12,826,768
Gross margin	71%	66%	70%	67%	69%	67%

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

The Company has signed leases on its in-transition and in development properties which has shown positive NRI for the three and nine months ended September 30, 2025. The Company's margins will continue to increase as it stabilizes more assets.

	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Stabilized properties	In-transition / in-development properties ⁽ⁱ⁾	Total	Stabilized properties	In-transition / in-development properties ⁽ⁱ⁾	Total
Investment properties revenue	\$ 4,964,319	\$ 470,661	\$ 5,434,980	\$ 6,277,988	\$ 422,916	\$ 6,700,904
Investment properties expenses	(1,398,747)	(13,621)	(1,412,368)	(1,772,908)	(388,409)	(2,161,317)
Net rental income	\$ 3,565,572	\$ 457,040	\$ 4,022,612	\$ 4,505,080	\$ 34,507	\$ 4,539,587
Gross margin	72%	97%	74%	72%	8%	68%

	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Stabilized properties	In-transition / in-development properties ⁽ⁱ⁾	Total	Stabilized properties	In-transition / in-development properties ⁽ⁱ⁾	Total
Investment properties revenue	\$ 18,935,931	\$ 1,370,730	\$ 20,306,661	\$ 18,138,572	\$ 953,115	\$ 19,091,687
Investment properties expenses	(5,439,443)	(695,057)	(6,134,500)	(5,180,884)	(1,084,035)	(6,264,919)
Net rental income (loss)	\$ 13,496,488	\$ 675,673	\$ 14,172,161	\$ 12,957,688	\$ (130,920)	\$ 12,826,768
Gross margin	71%	49%	70%	71%	N/A	67%

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

Realized and unrealized gain or loss on derivative of financial instruments

The Company recognized a realized and unrealized loss of \$40,163 and gain of \$230,339 on derivative financial instruments, respectively, for the three and nine months ended September 30, 2025 as a result of changing interest rates and loans approaching maturity, offset by the realized loss of \$771,000 on early settlement of derivative financial statements, compared to a loss of \$1,407,304 and \$96,678, respectively, for the three and nine months ended September 30, 2024.

General and administrative expenses and other income

General and administrative expenses and other income increased to \$733,270 and \$1,872,554, respectively, for the three and nine months ended September 30, 2025, compared to \$574,612 and \$1,857,730, respectively for the three and nine months ended September 30, 2024. The G&A were comparable for the three and nine months period other than a fluctuation from foreign exchange and changes in finance income for the periods.

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 \$1,777,770, and \$6,555,717, respectively, for the three and nine months ended September 30, 2025, compared to \$2,191,960 and \$6,505,432, respectively, for the three and nine months ended September 30, 2024. The depreciation expense for the period is comparable to the prior period, reflecting the net effect of acquisitions of new investment properties and the disposal of certain properties on June 26, 2025.

Finance costs

The finance costs were \$2,008,727 and \$7,061,920, respectively, for the three and nine months ended September 30, 2025, compared to \$2,327,686 and \$6,931,516, for the three and nine months ended September 30, 2024. The decrease in finance costs is due to the repayment of debt held by the Company during the period using the proceed received from disposition of six Winnipeg's investment properties. The Company used swaps to fix interest rates on its debt with a weighted average effective interest rate of 5.15% and an average term to maturity of 2.2 years.

Net income and loss

The net income was \$1,323,169 and \$17,961,695, respectively, for the three and nine months ended September 30, 2025, compared to a net loss of \$2,119,597 and \$2,400,618, respectively, for the three and nine months ended September 30, 2024. The significant increase in net income was a result of the gains on disposition of investment properties, higher net rental income, higher realized and unrealized gains from derivative financial instruments, offset by higher depreciation and finance costs.

Funds from Operations (“FFO”)

	Three months ended September 30, 2025		Three months ended September 30, 2024		Change in \$	Change in %
Net income (loss) and comprehensive income (loss)	\$	1,323,169	\$	(2,119,597)	\$	3,442,766
Add / (deduct):						
Share of (income) loss from equity-accounted investees		(195,528)		406,557		(602,085)
Depreciation		1,777,770		2,191,960		(414,190)
Realized and unrealized loss on derivative financial instruments		40,163		1,407,304		(1,367,141)
Foreign exchange loss (gain)		119,914		(47,180)		167,094
Unrealized gain on Investments at fair value		(829,103)		-		(829,103)
FFO	\$	2,236,385	\$	1,839,044	\$	397,341
FFO per share	\$	0.01	\$	0.01	\$	0.00

	Nine months ended September 30, 2025		Nine months ended September 30, 2024		Change in \$	Change in %
Net income (loss) and comprehensive income (loss)	\$	17,961,695	\$	(2,400,618)	\$	20,362,313
Add / (deduct):						
Share of loss from equity-accounted investees		7,405,291		485,361		6,919,930
Depreciation		6,555,717		6,505,432		50,285
Realized and unrealized (gain) loss on derivative financial instruments		(230,339)		96,678		(327,017)
Foreign exchange (gain) loss		(126,305)		41,324		(167,629)
Gain on disposition		(24,804,916)		-		(24,804,916)
Unrealized gain on Investments at fair value		(571,038)		-		(571,038)
FFO	\$	6,190,105	\$	4,728,177	\$	1,461,928
FFO per share	\$	0.03	\$	0.02	\$	0.01

The FFO for the three and nine months ended September 30, 2025 was \$2,236,385 and \$6,190,105, respectively, compared to an FFO of \$1,839,044 and \$4,728,177, for the three and nine months ended September 30, 2024, which represents a 22% and 31% increase in FFO, respectively. For the three and nine months period, the increase in FFO primarily attributed to the Company's growing net rental income from its investment properties as a result of steady in-place rents and growing occupancy, and the investment income since its investment in PROREIT.

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 September 30, 2025	Three months ended September 30, 2024	Change in \$	Change in %
Stabilized comparative properties NOI	\$ 3,133,565	\$ 2,903,614	\$ 229,951	8%
NOI from newly acquired properties	447,322	-	447,322	
NOI from disposed properties	(73,343)	1,409,008	(1,482,351)	
Straight line rent	107,028	189,700	(82,672)	
NOI from unstabilized properties	408,040	37,265	370,775	
Net rental income	\$ 4,022,612	\$ 4,539,587	\$ (516,975)	(11%)

	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Change in \$	Change in %
Stabilized comparative properties NOI	\$ 9,418,563	\$ 8,641,660	\$ 776,903	9%
NOI from newly acquired properties	1,020,652	-	1,020,652	
NOI from disposed properties	2,641,322	3,756,488	(1,115,166)	
Straight line rent	568,504	557,180	11,324	
NOI from unstabilized properties	523,120	(128,560)	651,680	
Net rental income	\$ 14,172,161	\$ 12,826,768	\$ 1,345,393	10%

Investment properties - acquisitions

The Company's investment properties acquisitions for the period ended September 30, 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 nine months ended September 30, 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 period ended September 30, 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
Total direct disposals of investment properties	\$	96,500,000	

In-development properties

The following table summarizes the Company's ongoing in-development projects as at September 30, 2025:

Property	Planned GLA	Ownership	Comment
Planning and permitting stage			
5610 Finch Ave East & 720 Tapscott Rd	121,050	100%	Received zoning approval, to continue with site plan approval. Construction expected to begin in 2028.
415 Legget Dr, Ottawa, Ontario	150,000	100%	Received site plan approval. Project has been pushed to 2027 as the Company waits for the market to improve for speculative industrial builds.
568 Second St, London, Ontario	-	100%	Repositioning site to industrial with option as the Company received approval for residential zoning for two buildings with 543 units on 15 floors and total gross floor area of 487,151 sf.
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. In Q3 2024, the Company received zoning approval from the City of Toronto. Parkit will continue development of the site by completing its site plan application, however, the construction timeline will be extended to 2028 as the Company has extended the term of the tenant to December 2027 and signed a land lease on the extra parking area.

At 415 Legget Dr, the Company is repositioning the property from a flex office to light industrial and also intends to add at least 150,000 sf of GLA. The Company has received site plan approval to increase the density, though plans have been rescheduled to 2027 as the Company waits for the market to improve for speculative industrial builds.

The Company received municipal approval to rezone 568 Second St to high density residential housing while pursuing interim rental revenue while it continues the entitlement process. The property has now been approved for two buildings with 543 units on 15 floors and total gross floor area of 487,151 sf.

Over the long term, management intends to continue its 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 September 30, 2025, Parkit owns and operates a portfolio of 21 investment properties totaling 1,575,370 sf of GLA consisting of 1,303,370 sf of stabilized properties and 272,000 sf of unstabilized properties planned for future expansions.

The Company leases investment properties to tenants under operating leases. In Q3, the Company had 100% collections and the stabilized properties are 100% tenanted.

As at September 30, 2025, the Company's tenants operate in a variety of industries, with no one tenant accounting for more than 11.8% of total GLA. The Company's portfolio of 21 investment properties has 48 tenants.

As at September 30, 2025, the Company has an in-place and committed occupancy of 100% for stabilized properties. The stabilized properties have an average in-place net rent of \$13.61 per square feet compared with the weighted average market rents of \$15.30 per square feet for the portfolio in Q3 of 2025¹.

Portfolio as at September 30, 2025	Total GLA	Average in-place base rent (per sf)	Estimated market rent (per sf)	WALT
Greater Toronto Area +, Ontario	436,403	\$16.78	\$16.59	4.2 years
Ottawa, Ontario and Montreal, Quebec	563,266	\$13.69	\$16.17	4.3 years
Total Ontario and Quebec properties	999,669	\$14.65	\$16.35	4.3 years
Manitoba, Saskatchewan, and Alberta	303,701	\$10.50	\$11.85	5.6 years
Total portfolio	1,303,370	\$13.61	\$15.30	4.6 years

(i) Total GLA for portfolio excludes unstabilized properties of 272,000 sf.

Leasing activity – renewals

	Renewal Total	
	GLA	Rental rate growth (%)
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%

¹ Per CBRE and Colliers – Canada Q3 2025 Quarterly Statistics

Lease maturity

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

Portfolio as at September 30, 2025	Vacancy	2025	2026	2027	2028	2029+	Total ⁽ⁱ⁾
Total vacancy / renewal (sf)	-	29,599	85,213	190,280	282,363	715,915	1,303,370
Percentage of stabilized GLA	0%	2%	6%	15%	22%	55%	

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

Leasing activity – new deals

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

- Q3 2025, Parkit signed a 5-year lease for 24,665 sf at 555 Camiel Sys St starting at \$14.76 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

Parking investments

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).

Parking properties operating results

Parkit’s parking properties operating results include its share of profit from equity-accounted investees and the parking net operating income. The share of profit from equity-accounted investees includes the investment in the Company’s joint ventures, investment in associate, and long-term receivable.

Summarized financial information of joint venture

The details of the joint ventures are detailed below and can also be found in note 6 of the Financial Statements. The operations of the joint ventures translated using average exchange rates for the period are summarized as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Share of operations from joint venture	\$ 195,528	\$ (406,557)	\$ 202,070	\$ (485,361)
Impairment of investment in joint venture ⁽ⁱ⁾	-	-	(5,677,289)	-
Share of income (loss) from joint venture ⁽ⁱⁱ⁾	195,528	(406,557)	(5,475,219)	(485,361)
Impairment of long-term receivable ⁽ⁱⁱⁱ⁾	-	-	(1,309,728)	-
Impairment from investment in associate ^(iv)	-	-	(620,344)	-
Share of income (loss) from equity-accounted investees	\$ 195,528	\$ (406,557)	\$ (7,405,291)	\$ (485,361)

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

The Company had income of \$195,528 and a loss of \$7,405,291 from equity-accounted investees for the three and nine months ended September 30, 2025 respectively, compared to a loss of \$406,557 and \$485,361 for the three and nine months ended September 30, 2024.

The joint venture had a stronger operational quarter with the Company's shares of income being \$195,528 and \$202,070, respectively, for the three and nine months ended September 30, 2025, compared to a loss of \$406,557 and \$485,361, respectively, for the three and nine months ended September 30, 2024. The joint ventures operations recovered from seasonal weakness compared to the prior quarter. Though the joint venture's operational results recovered, the Company believes there could be further improvement as the Company looks to work with its parking manager to improve operations.

Previous to Q3, the Company reviewed the joint ventures assets and elected to record an impairment to the fair value of its assets. The Company recorded an impairment of \$1,309,728 on its long-term receivable as the collectability is now uncertain. The Company recorded an impairment of \$620,344 on investment in associate as the expected repayment of the final tranche is uncertain.

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 September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Parking properties revenue	\$ 1,204,236	\$ 971,041	\$ 3,552,760	\$ 2,600,743
Parking properties expenses	(1,096,838)	(722,106)	(3,444,430)	(1,951,412)
Net operating income - parking	\$ 107,398	\$ 248,935	\$ 108,330	\$ 649,331
Parking properties margin	9%	26%	3%	25%

The Company's direct parking investments, Fly Away Parking and Z Park, had revenue of \$1,204,236 and \$3,552,760 respectively, for the three and nine months ended September 30, 2025, compared to revenue of \$971,042 and \$2,600,743, respectively, for the three and nine months ended September 30, 2024. The Company had net operating income – parking of \$107,398 and \$108,330, respectively, for the three and nine months ended September 30, 2025, compared to net operating income – parking of \$248,936 and \$649,331, respectively, for the three and nine months ended September 30, 2024. The overall net operating income is lower as occupancy at Fly Away has dropped as the asset lost a long-term tenant for the secondary lot. The Company is entering into a partnership with a 3rd party aggregator to drive additional sales into the secondary lot which will boost performance in the next fiscal year. 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 will look for strategic options for the assets.

Investments at fair value

As part of the disposition of investment properties as outlined in Financial Statement note 3, the Company obtained share consideration with the breakdown as follows, and have recorded these financial assets at fair value:

	Number of shares	Share price	September 30, 2025
PRO Real Estate Investment Trust – Trust Units	3,882,313	\$ 5.80	\$ 22,517,415
PRO Real Estate Investment Trust – Class B LP Units	2,675,000	5.80	15,515,000
Balance at end of period	6,557,313	\$ 5.80	\$ 38,032,415

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").

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 September 30, 2025, the both Units pay a monthly distribution of \$0.0375 per share. During the three and nine months ended September 30, 2025, the company recognized investment income of \$728,458 and \$970,393 from the units, and an unrealized gain of \$829,103 and \$571,038 due to changes in market value.

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 right for Parkit to nominate one trustee to PROREIT's board of trustees, and certain lock-up and standstill provisions.

SECTION 5 – SUMMARY OF QUARTERLY RESULTS

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

	Three months ended September 30, 2025		Three months ended June 30, 2025		Three months ended March 31, 2025		Three months ended December 31, 2024	
Investment properties revenue	\$	5,434,980	\$	7,750,540	\$	7,121,141	\$	6,950,930
Investment properties expense		(1,412,368)		(2,487,027)		(2,235,105)		(1,988,173)
Net rental income ⁽ⁱ⁾		4,022,612		5,263,513		4,886,036		4,962,757
Other income (loss)								
Parking properties revenue ⁽ⁱⁱ⁾		1,204,236		1,209,801		1,138,723		1,117,319
Parking properties expense		(1,096,838)		(1,192,205)		(1,155,387)		(986,600)
Share of income (loss) from equity investees ⁽ⁱⁱⁱ⁾		195,528		(7,420,782)		(180,037)		53,549
Net parking income (loss)		302,926		(7,403,186)		(196,701)		184,268
Other expenses								
Gain on disposition ^(iv)		-		(24,804,916)		-		-
Investment income		(728,458)		(241,935)		-		-
General, admin and other ^(v)		733,270		465,603		673,681		894,994
Share-based compensation ^(vi)		-		-		-		204,126
Depreciation		1,777,770		2,386,474		2,391,473		2,241,961
Realized and unrealized loss (gain) derivative of financial instruments ^(vii)		40,163		(905,656)		635,154		(482,344)
Unrealized (gain) loss on investments at fair value ^(viii)		(829,103)		258,065		-		-
Finance costs ^(ix)		2,008,727		2,543,366		2,509,827		2,474,974
		3,002,369		(20,298,999)		6,210,135		5,333,711
Income (loss) before tax		1,323,169		18,159,326		(1,520,800)		(186,686)
Income tax expense ^(x)		-		-		-		(219,163)
Net income (loss) and comprehensive income (loss)	\$	1,323,169	\$	18,159,326	\$	(1,520,800)	\$	(405,849)
Per share – basic and diluted	\$	0.01	\$	0.08	\$	(0.01)	\$	(0.00)
FFO	\$	2,236,385	\$	2,272,169	\$	1,681,551	\$	2,017,349
FFO per share	\$	0.01	\$	0.01	\$	0.01	\$	0.01

- (i) Net rental income (“NRI”) has decreased in Q3 as the company had disposed of the Winnipeg Portfolio. The Company’s properties continue to perform with solid margins. In Q2, NRI increased as the Company onboarding new investment properties, signed leases and renewed tenants. In Q1, NRI decreased slightly from Q4 2024, as Q1 usually has seasonally lower margins, though revenue increased.
- (ii) Parking operations continue to show weakness as a result of a slow market and increased costs. The Fly away parking lost a long-term tenant at its secondary lot, the Company is entering into a partnership with a 3rd party aggregator to drive additional sales into the secondary lot which will boost performance in the next fiscal year.
- (iii) The Company’s JV results improved in Q3 and Q2. However, in Q2, the Company decided to write-down the joint venture to its fair value and recorded an impairment of its investment in associate and long-term receivable for uncertainty and collectability. In Q1 2025 the Company had a loss from its joint ventures resulting from higher financing costs and seasonality in the joint ventures operations.
- (iv) The Company recorded a gain from the sale of the Winnipeg Portfolio.
- (v) In Q3, Q1 2025 and Q4 2024, general and admin expenses increased as a result of one-time non-cash costs from an unrealized increase in foreign exchange. Core general and admin expenses were steady from quarter to quarter.
- (vi) In Q4 2024, the share-based compensation decreased from the same period in 2023 because fewer options issued, and a lower Black-Scholes valuation was calculated for each option issued.
- (vii) The fluctuations in the unrealized loss (gain) on derivative financial instruments are a result of changes to interest rates.
- (viii) The unrealized loss on investment at fair value is the mark to market loss on the Company’s investment in PROREIT.
- (ix) The finance costs decreased in Q3 as the company sold the Winnipeg Portfolio, as well as the approaching maturity dates of the swaps. In Q2 and Q1 finance costs increased slightly as the Company added a new asset in Q1 2025. The finance costs have remained steady as the company has used swaps to fix most of its exposure to interest rate risk.
- (x) The Company had a tax expense relating to one-time gains on its parking investments in 2023. The expense was recorded in Q4 2024.

	Three months ended September 30, 2024		Three months ended June 30, 2024		Three months ended March 31, 2024		Three months ended December 31, 2023	
Investment properties revenue	\$	6,700,904	\$	6,332,263	\$	6,058,520	\$	5,832,682
Investment properties expense		(2,161,317)		(2,075,498)		(2,028,104)		(1,913,494)
Net rental income ⁽ⁱ⁾		4,539,587		4,256,765		4,030,416		3,919,188
Other income (loss)								
Parking properties revenue ⁽ⁱⁱ⁾		971,041		865,284		764,418		801,406
Parking properties expenses		(722,106)		(646,319)		(582,987)		(578,817)
Share of (loss) income from equity investees ⁽ⁱⁱⁱ⁾		(406,557)		43,634		(122,438)		(1,173,548)
Net parking (loss) income		(157,622)		262,599		58,993		(950,959)
Other expenses								
General, admin and other		574,612		632,122		650,996		497,973
Share-based compensation ^(iv)		-		-		-		455,936
Depreciation		2,191,960		2,190,338		2,123,134		2,116,524
Realized and unrealized loss (gain) derivative of financial instruments ^(v)		1,407,304		(220,453)		(1,090,173)		1,965,707
Finance costs ^(vi)		2,327,686		2,363,249		2,240,581		2,176,008
		6,501,562		4,965,256		3,924,538		7,212,148
Income (loss) before tax		(2,119,597)		(445,892)		164,871		(4,243,919)
Income tax recovery (expense)		-		-		-		336
Net (loss) income and comprehensive (loss) income	\$	(2,119,597)	\$	(445,892)	\$	164,871	\$	(4,243,583)
Per share – basic and diluted	\$	(0.01)	\$	(0.00)	\$	0.00	\$	(0.02)
FFO	\$	1,839,044	\$	1,509,102	\$	1,379,969	\$	1,390,163
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. As of Q2 2023, the Company consolidated its 100% interest in Fly Away Parking. The parking results some seasonality and the Company continues to work with its parking manager to improve results.
- (iii) In Q4 2023, the loss is a result of a reversal of 50% of the gain on sale relating to the Company's 50% ownership in the joint venture.
- (iv) In Q4 2023, the share-based compensation decreased from the same period in 2022 because less options issued and a lower Black-Scholes valuation was calculated for each option issued.
- (v) In Q4 2023, the Company recorded derivative loss pertaining to its swaps on its credit facility.
- (vi) The finance costs have remained steady from Q4 2023 to 2024 as the company has used swaps to fix its exposure to interest rate risk.

SECTION 6 – LIQUIDITY AND CAPITAL RESOURCES

		Balance at September 30, 2025		Balance at December 31, 2024		Balance at December 31, 2023
Liquidity and leverage						
Cash	\$	4,355,385	\$	5,476,859	\$	10,556,555
Working capital excluding long-term debt	\$	4,486,842	\$	5,420,561	\$	10,376,174
Total assets	\$	311,354,340	\$	330,657,403	\$	324,532,991
Total debt (loans and borrowings)	\$	146,586,934	\$	179,099,563	\$	168,435,521
Total equity	\$	158,099,250	\$	143,819,035	\$	149,187,430

Cash

Cash decreased to \$4,355,385 as at September 30, 2025, from \$5,476,859 as at December 31, 2024. The decrease is a result of cash used by the acquisition and development of investment properties.

Working capital

Working capital excluding long-term debt decreased to \$4,486,842 as at September 30, 2025, from \$5,420,561 as at December 31, 2024. The decrease is due to the acquisition of investment properties during the period and repayment of long-term debt.

Total assets

Total assets decreased to \$311,354,340 as at September 30, 2025, from \$330,657,403 as at December 31, 2024. The decrease is a result of the disposition of six properties, offset by the acquisition of additional investment properties.

Total debt

Total debt decreased to \$146,586,934 as at September 30, 2025, from \$179,099,563 as at December 31, 2024. The decrease in debt is a result of the repayment of debt as a result of the disposition of investment properties.

Total equity

Total equity increased to \$158,099,250 as at September 30, 2025, from \$143,819,035 as at December 31, 2024. The increase is a result of the net profit for the period and offset by shares repurchased as part of the Company's NCIB program.

LIQUIDITY

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

The available liquidity of the Company is summarized as follows:

	September 30, 2025	December 31, 2024
FV of unencumbered assets available to be encumbered	\$ 9,454,159	\$ 16,862,000
Estimated borrowing capacity on unencumbered assets ⁽ⁱ⁾	5,199,787	9,274,100
Cash	4,355,385	5,476,859
Available financing based on existing credit facilities ⁽ⁱⁱ⁾	21,896,499	10,992,770
Additional estimated borrowing capacity (above)	5,199,787	9,274,100
Estimated available liquidity ⁽ⁱⁱⁱ⁾	\$ 31,451,671	\$ 25,743,729

- i. The estimated borrowing capacity is calculated at 55% of the value of the unencumbered assets.
- ii. The Company signed a commitment letter with a bank for a two-year revolving line of credit of \$67,000,000, of which \$47,858,445 has been drawn and \$19,141,555 is available, as well as a separate credit facility with \$622,668 drawn and \$2,754,944 available. See Financial Statement note 8 for more details.
- iii. As at September 30, 2025, the estimated available liquidity was \$31,451,671, compared to \$25,743,729 as at 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.

In 2025, the Bank of Canada has implemented multiple interest rate cuts to its policy rate. As at the date of this report, the Bank of Canada policy rate is down to 2.25%, though the 5 year Bank of Canada Bond rate has remained relatively steady. The central bank is signalling the possibility of further cuts to its policy rate, depending on economic conditions and inflation data, though it remains to be seen where the 3-5 year bond rates will adjust to. Additional rate cuts could lower the Company's financing costs over time and may also increase the Company's borrowing capacity.

DEBT SUMMARY

The following table summarizes the debt as of September 30, 2025, and December 31, 2024.

	September 30, 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%	\$ 47,757,804	2.31% - 6.87%	5.08%	\$ 33,410,511
	<i>Maturity: Dec 2025 to Dec 2030</i>			<i>Maturity: Dec 2025 to Dec 2030</i>		
At FVTPL - Mortgage			8,175,914			12,534,840
- Fixed via interest rate swap ⁽ⁱⁱ⁾			(216,748)			(395,542)
		3.49%	7,959,166		3.56%	12,139,298
	<i>Maturity: Nov 2029</i>			<i>Maturity: May 2025 to Nov 2029</i>		
Credit facilities:						
At FVTPL - Credit facilities ^(iii, iv)		4.94%	13,981,112		5.72%	9,507,230
sAt FVTPL - Credit facilities ⁽ⁱⁱⁱ⁾			76,796,966			124,389,587
- Fixed via interest rate swap ^(v)			703,034			110,413
		5.46%	77,500,000		5.49%	124,500,000
	<i>Maturity: Mar 2026 to Mar 2027</i>			<i>Maturity: January 2025 to Mar 2026</i>		
Total debt ^(vi)		5.15%	147,198,082		5.30%	179,557,039
Financing costs, net ^(vii)			(611,148)			(457,476)
Carrying value ^(viii)			\$ 146,586,934			\$ 179,099,563
Current debt			\$ 34,593,561			\$ 78,894,203
Non-current debt			\$ 111,993,373			\$ 100,205,360

- i. As at September 30, 2025, included in these figures is a mortgage payable, with a USD equivalent balance of \$4,130,860 (December 31, 2024 – \$4,183,673 USD) with an amortization period of 25 years. The remainder of the mortgages are payable in CAD with an amortization period of 25 years.
- ii. The mortgage models a fixed rate mortgage with a set interest rate of 3.49%, 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 September 30, 2025, the interest rate swap on mortgages (Financial Statement note 9) was in a net asset position of \$216,748 (December 31, 2024 – asset position \$395,542).
- iii. Included in the credit facilities is a revolving line of credit of \$67,000,000 of which \$47,858,445 has been drawn upon as at September 30, 2025 (December 31, 2024 – \$55,000,000 line of credit with \$44,007,230 drawn), resulting in a remaining line of credit available of \$19,141,555 (December 31, 2024 – \$10,992,770). In addition, available on a separate credit facility is \$3,377,612, which represents 15% of the fair market value of the PRO Real Estate Investment Trust – Trust Units (Financial Statement note 5) held by the Company. As of September 30, 2025, a total of \$622,668 has been drawn from the facility (December 30, 2024 - \$nil), with a remaining line of credit available of \$2,754,944 (December 31, 2024 - \$nil). The interest rate applicable to the available lines of credit will be determined in accordance with the prevailing variable interest rate.
- iv. The balance includes a USD balance of \$700,000 (\$974,470 CAD) as at September 30, 2025 (December 31, 2024 – USD balance of \$700,000 (\$1,007,230 CAD)).

- v. The Company has entered into a series of swap agreements to fix the interest rate of between 5.10% to 5.61% on the \$77,500,000 combined revolving and non-revolving lines of credit, for the remainder of the loan term maturing on 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 September 30, 2025, the interest rate swap on mortgages was in a financial liability position amounting to \$703,034 (December 31, 2024 – financial liability position of \$110,413). The unrealized fair value of the swap position after loan maturity is detailed in Financial Statement note 9.
- vi. The mortgages are collateralized by first charges on specific investment properties (Financial Statement note 3) and specific parking properties (Financial Statement note 4).
- vii. The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization of \$987,259 as at September 30, 2025 (December 31, 2024 – \$758,994).
- viii. See Financial Statement note 17 for additional disclosure on the estimated fair value of the debt.

The following table provides a continuity of total debt for the nine months ended September 30, 2025 and year ended December 31, 2024.

		September 30, 2025		December 31, 2024
Balance at beginning of period	\$	179,099,563	\$	168,435,521
Debt issuance ⁽ⁱ⁾		27,071,475		10,895,478
Debt issuance costs		(387,364)		(63,769)
Debt repayment ⁽ⁱ⁾		(59,201,010)		(1,076,939)
Change in fair value of mortgage payable measured at FVTPL		(771,415)		(2,548,440)
Change in fair value of interest rate swap		771,415		2,548,440
Amortization of debt issuance costs		228,265		346,200
Unrealized foreign exchange		(223,995)		563,072
Balance at end of period	\$	146,586,934	\$	179,099,563

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

Principal repayments on mortgages are estimated as follows:

		Total
2025 ⁽ⁱ⁾	\$	11,041,515
2026 ⁽ⁱ⁾		24,048,107
2027 ⁽ⁱ⁾		68,958,902
2028 ⁽ⁱ⁾		6,538,146
2029 ⁽ⁱ⁾		7,704,528
Thereafter ⁽ⁱ⁾		28,906,884
	\$	147,198,082

i. Includes debt balance due at maturity.

REALIZED AND UNREALIZED FAIR VALUE OF DERIVATIVE LIABILITIES

The Company has entered into swap agreements with its lenders for its variable debt outlined in Financial Statement note 8, with certain swaps maturing on dates beyond the maturities of the underlying debt. These swap positions have maturities between April 2027 and April 2028, with an option to cancel at specified dates ranging between November 2025 to April 2026, at the option of the lender. The fair value of the financial instrument as September 30, 2025 is \$578,702 (December 31, 2024 – derivative liability of \$1,580,041). As at September 30, 2025, the overall swap positions, up until its final maturity for all of the Company's swaps, are a financial liability of \$1,064,988 (December 31, 2024 – financial liability of \$1,294,912). During the period ended September 30, 2025, the lender elected not to cancel the swap with a notional value of \$20,000,000 in April 2025, thus the swap's maturity date remains April 2027.

	September 30, 2025		December 31, 2024	
<i>Non-current:</i>				
Fair value of swap to maturity – financial liability ⁽ⁱ⁾	\$	1,064,988	\$	1,294,912
Fair value of swap offset against mortgages ⁽ⁱⁱ⁾		216,748		395,542
Fair value of swap offset against credit facilities ⁽ⁱⁱ⁾		(703,034)		(110,413)
Unrealized fair value of derivative liabilities ^(iii, iv)	\$	578,702	\$	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.
- iv. See Financial Statement note 17 for additional disclosure on the estimated fair value of the derivative liabilities.

The table below outlines the breakdown between realized and unrealized gain or loss on derivative financial instruments:

	For the three months ended September 30, 2025		For the three months ended September 30, 2024		For the nine months ended September 30, 2025		For the nine months ended September 30, 2024	
Unrealized (loss) gain on derivative financial instruments	\$	(40,163)	\$	(1,407,304)	\$	1,001,339	\$	(96,678)
Realized loss on derivative financial instruments		-		-		(771,000)		-
	\$	(40,163)	\$	(1,407,304)	\$	230,339	\$	(96,678)

EQUITY

Shares outstanding

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

- 215,674,554 issued and outstanding common shares (September 30, 2025 – 215,833,554)
- 14,172,000 common share stock options outstanding (September 30, 2025 – 14,172,000)

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	(7,277,878)	(5,376,428)
Balance as at September 30, 2025	215,833,554	\$ 159,388,622

The Company entered into a Normal Course Issuer Bid ("NCIB") program to purchase the Company's shares for cancellation. The program was renewed for a further 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 nine months ended September 30, 2025, the Company purchased and cancelled 7,277,878 (December 31, 2024 – 4,780,230) common shares pursuant to its NCIB for a total of \$3,681,480 (December 31, 2024 – \$2,766,054) at an average price of \$0.51 (December 31, 2024 – \$0.58) per share. The Company's share capital was reduced by \$5,376,428 (December 31, 2024 – \$3,586,648) for the value of the shares purchased for cancellation with the excess of \$1,694,948 paid under the value recognized as a reduction in deficit (December 31, 2024 – the excess of \$820,594 under the value recognized as an increase in the deficit).

Stock options

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at December 31, 2024	14,192,000	\$1.15
Expired	(20,000)	\$0.60
Balance as at September 30, 2025	14,172,000	\$1.16

As at September 30, 2025, the following stock options were outstanding and exercisable:

Exercise Price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
\$0.60	1,568,500	1,568,500	9.25
\$0.63	2,178,500	2,178,500	8.25
\$1.05	3,455,000	3,455,000	7.31
\$1.50	6,970,000	6,970,000	5.98
	14,172,000	14,172,000	7.02

CASH FLOW SUMMARY

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

	September 30, 2025	September 30, 2024
Cash flows from operating activities	\$ 11,462,904	\$ 12,664,922
Cash flows from (used in) investing activities	30,796,370	(9,841,084)
Cash flows used in financing activities	(43,371,713)	(5,699,497)
Decrease in cash and cash equivalents	(1,112,439)	(2,875,659)
Foreign exchange effect on cash	(9,035)	71,953
Cash balance, beginning of the period	5,476,859	10,556,555
Cash balance, end of period	\$ 4,355,385	\$ 7,752,849

Operating activities:

The Company received net cash of \$11,462,904 in operating activities for the nine months ended September 30, 2025, compared to cash flow from operations of \$12,664,922 for the nine months ended September 30, 2024. The decrease in operating cash flows is a result of decrease in cash provided from working capital.

Investing activities:

The Company received net cash of \$30,796,370 in investing activities for the nine months ended September 30, 2025, compared to cash used of \$9,841,084 for the nine months ended September 30, 2024. The higher net cash inflow is a result of the portfolio disposition of 6 investment properties, offset by the equity consideration received as part of the investment property disposition.

Financing activities:

The Company used net cash of \$43,371,713 from financing activities for the nine months ended September 30, 2025, compared to cash used of \$5,699,497 for the nine months ended September 30, 2024. The increase in cash used was a result of proceeds from debt financing offset by the repayment of debt borrowings related to the portfolio disposition of six investment properties.

SECTION 7 – DISCLOSURES

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

The Company does not have any off-balance sheet arrangements or contingencies as at September 30, 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 September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Total for all senior management				
Salaries, fees, and benefits	\$ 87,018	\$ 94,213	\$ 261,053	\$ 253,858
Total for all directors				
Director fees	36,000	36,000	108,000	108,000
Property expenses and other general operating expenses				
Investment properties expenses	367,507	379,635	1,125,524	1,009,963
Professional fees and other administrative expenses	453,466	464,885	1,357,518	1,330,466
Finance costs	55,125	11,916	76,893	55,473
	876,098	856,436	2,559,935	2,395,902
Total	\$ 999,116	\$ 986,649	\$ 2,928,988	\$ 2,757,760

Transactions with related parties

On December 29, 2020, the Company entered into a property management agreement with Access Results Management Services Inc. ("ARMS"). ARMS and the Company are related by having common members on its Board of Directors. The management agreement has, subject to certain conditions, a five-year term. The Company also receives invoices from ARMS and its related companies for construction, maintenance and other services related to the day-to-day property management, including accounting, financial, property and executive management.

- For the three and nine months ended September 30, 2025, the Company incurred property management fees and other rental and general operating expenses totalling \$876,098 and \$2,559,935 from ARMS and its related companies (three and nine months ended September 30, 2024 – \$856,436 and \$2,395,902), of which \$87,018 and \$261,053 of key management personnel compensation was included in the table above (September 30, 2024 – \$94,213 and \$253,858).
- For the nine months ended September 30, 2025, construction costs of \$907,070 were incurred through ARMS and its related companies have been capitalized to investment properties (December 31, 2024 – \$392,814).
- Amounts due to and from ARMS and its related companies at September 30, 2025 includes \$773,885 in accounts payable and accrued liabilities (December 31, 2024 – \$710,921) and \$16,427 is included 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.

For the three and nine months ended September 30, 2025, the Company earned \$810,724 and \$2,518,773 in investment properties revenues from leases with companies managed by two directors of the Company (three and nine months ended September 30, 2024 – \$217,495 and \$1,211,967).

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. No provision has been accrued by the Company as at September 30, 2025 (December 31, 2024 – \$Nil) with respect to additional commitments.

OP Holdings has \$2,100,000 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.

PROPOSED TRANSACTIONS

There are no proposed transactions.

CONTROLS AND PROCEDURES

For the purposes of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the Company is a Venture Issuer and has made no representations relating to the design and evaluations of the disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") and it has not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Parkit's shares trade on the TSX-Venture Exchange under the symbol PKT, and the OTC under the symbol PKTEF. Additional information related to the Company is available on SEDAR+ at www.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 joint ventures and the value of the parking assets are sensitive to changes in the economic condition and regulatory environment of the US, and any adverse changes in economic condition or regulatory environment may adversely affect its financial condition.

Future acquisitions

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

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.

The Company's main foreign currency risk comes from its investment and associated financing for the joint venture and its parking properties located in the USA.

c) Price risk

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