PARKIT ENTERPRISE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

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This Management's Discussion and Analysis ("MD&A") is prepared as of August 6th, 2026, and outlines the business strategy, risk profile, business outlook and analysis of financial performance and financial position of Parkit Enterprise Inc. ("Parkit," or "the Company") for the three and six months ended June 30, 2026 ("Q2"). This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements and accompanying notes for the three and six months ended June 30, 2026 (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 August 6th, 2026.

SECTION 1 – BASIS OF PRESENTATION

FORWARD LOOKING STATEMENTS

Included in this MD&A is certain forward-looking information, as such term is defined under applicable Canadian securities laws. This information relates to future events or future performance and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management and a number of assumptions that management believed were reasonable on the day such forward-looking information was presented. In some cases, forward-looking information can be identified by terminology such as “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. Stabilized comparative properties NOI enables investors to evaluate our operating performance, especially to assess the effectiveness of our management of properties generating NOI growth from existing properties. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

When the Company compares the Stabilized comparative properties NOI for the three and six months ended June 30, 2026, and June 30, 2025, the Company excludes investment properties acquired or disposed on or after January 1, 2025. The Stabilized comparative properties NOI is calculated by taking NOI and excluding the impact of NOI from acquisitions and dispositions, NOI from straight-line rent, and NOI from unstabilized properties. The Company reconciles the comparative properties NOI to Net rental income.

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies are described in Note 2 to its unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026. There has been no change in material accounting policies from the Company's audited consolidated annual financial statements from December 31, 2025. The preparation of financial statements requires the Company to make estimates and judgements that affect the reported results. For a detailed discussion of the critical estimates refer to note 4 to the Company's audited consolidated financial statements for the year ended December 31, 2025.

SECTION 2 – OVERALL PERFORMANCE AND STRATEGY

Business Overview

Parkit 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 Q2 2026, Parkit continued to grow cash flows by streamlining operations, signing new leases, and renewing tenants at market rates. The Company continues to progress with development on its unstabilized properties and has continued to grow net rental income in these assets.

The Company has remained disciplined while evaluating new acquisitions as the cost of capital remains high 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.

	Net asking rents (psf) (i)		Availability rates (i)	
Key market	**Q2 2026**	**Q1 2026**	**Q2 2026**	**Q1 2026**
Toronto, ON	$16.11	$16.32	5.0%	5.0%
Montreal, QC	$13.90	$14.01	6.8%	6.7%
Ottawa, ON	$16.71	$16.35	4.1%	4.4%
Edmonton, AB	$11.00	$10.81	4.5%	4.8%
Regina, SK	$12.69	$12.70	2.3%	2.3%

i. Per CBRE and Colliers – Canada Q2 2026 Quarterly Statistics

The capitalization rates for investment properties have remained steady year to date in most markets as purchasers adjusted their pricing expectations with stabilizing availability rates and net asking rents. It remains to be seen whether the 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 economic environment has become more unstable as the effects of world conflicts, tariffs and the changing regulatory environment continues. Different economic variables are subject to fluctuation including inflation, interest rates, and employment. The effect of these variables, and other factors, could affect the Company's tenancies, financing, or other operations, which could influence the Company's performance.

The Company continues to evaluate new acquisition opportunities and will deploy capital only to opportunities which meet its internal thresholds, maximize net asset value and generate positive returns over the long term. Management remains confident that the Company will be able to expand the size of its portfolio through disciplined, data-driven, and accretive acquisitions. Over the long term, Parkit's goal is to continue to grow its portfolio through acquisitions, expansions, and developments of industrial real estate while maximizing returns on its industrial and parking assets.

The Company closed Q2 with 1,278,705 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

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

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

Environmental	• member of Canada Green Building Council, a leading not-for-profit national environmental organization • Canopy Airport Parking, located in Denver, Colorado is LEED-certified Gold and Green Garage Certified • registered with Energy Star to monitor energy use and minimize environmental footprint • participation in Earth Day and other initiatives to bring awareness to environmental issues • utilization of solar panels and planning for the expansion of solar panels • upgrade to energy-efficient lighting and exterior LED lighting for safety and cost savings • 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 • promoting diversity and inclusion through Board, management and Company's use of merit-based hiring practices • community involvement and charitable initiatives • support wellness through continuing education for employees • ensure safe conditions through adherence to jurisdictional occupational health, safety and labour standards
Governance	• established Board committees for Audit, Governance & Compensation, Investment • the Board, Investment, and Audit Committee are majority independent and the Governance & Compensation are entirely independent • significant board and management ownership at approximately 47%

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SECTION 3 – FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

Select Financial Information (Unaudited)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Operating results				
Investment properties revenue	$ 6,034,008	$ 7,750,540	$ 11,937,434	$ 14,871,681
Investment properties revenue - retained	$ 6,034,008	$ 5,274,415	$ 11,937,434	$ 10,273,484
Investment properties revenue - disposed	$ -	$ 2,476,125	$ -	$ 4,598,197
Net rental income	$ 4,382,615	$ 5,263,513	$ 8,525,052	$ 10,149,549
Net rental income - retained	$ 4,382,615	$ 3,611,903	$ 8,525,052	$ 7,250,764
Net rental income - disposed	$ -	$ 1,651,610	$ -	$ 2,898,785
Net parking and equity-accounted loss	$ (64,855)	$ (7,403,186)	$ (319,898)	$ (7,599,887)
Net income	$ 6,352,573	$ 18,159,326	$ 4,966,305	$ 16,638,526
Net income per share	$ 0.46	$ 1.24	$ 0.35	$ 1.13
Funds from operations (“FFO”)	$ 2,607,849	$ 2,272,169	$ 4,935,016	$ 3,953,720
FFO per share	$ 0.19	$ 0.16	$ 0.35	$ 0.27
Stabilized comparative properties NOI	$ 3,419,988	$ 3,281,849	$ 6,812,774	$ 6,515,033
Stabilized comparative properties NOI %	4%		5%	
Weighted avg basic shares outstanding[1]	13,916,813	14,612,951	14,050,326	14,715,621
Liquidity and leverage				
Cash			$ 5,381,025	$ 11,124,522
Working capital excl debt [2]			$ 2,259,734	$ 9,769,225
Total assets			$ 315,930,387	$ 307,091,269
Total debt (loans and borrowings)			$ 142,618,182	$ 141,638,995
Total equity			$ 165,805,608	$ 157,829,875
Weighted avg debt term (years)			2.2	2.3
Weighted avg effective debt rate			5.17%	5.18%
Investment properties				
Properties acquired			-	1
Number of properties (cumulative) [3]			19	20
Site area (acres) (cumulative)			95.7	99.5
In-place gross leasable area (“GLA”) (sf) [4,5]			1,473,068	1,475,680
Expansion GLA in development (sf) (iv) [6]			271,050	271,050
GLA after stabilized & expansion (sf)			1,744,118	1,746,730
In-place occupancy rate [7]			100%	100%
Average in-place net rent			$14.25	$13.86
Weighted average lease term (“WALT”) (years)			4.4	4.5

1. The shares were consolidated 15 to 1 as described on page 29 in the Equity section.
2. Working capital excl debt does not include short term portion of long-term debt, see section 6
3. Between June 30, 2025 and June 30, 2026, Parkit sold 2 industrial properties and acquired 1 property
4. For the six months ended June 30, 2026, in-place GLA is split into stabilized in-place GLA of 1,278,705 sf and development in-place GLA of 194,363 sf
5. For the six months ended June 30, 2025, in-place GLA is split into stabilized in-place GLA of 1,203,680 sf and development in-place GLA of 272,000 sf
6. Expansion GLA includes 5610 Finch Ave East, 720 Tapscott Rd, and 415 Legget Dr. See In-development properties section
7. The occupancy rate does not include assets in development
8. Square feet (“sf”)

SECTION 4 – DISCUSSION OF OPERATIONS

SEGMENTED INFORMATION

The Company operates in two reportable business segments as at June 30, 2026:

- 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 June 30, 2026	**Investment properties**	**Parking properties**	**Corporate**	**Total**
Investment properties revenue	$ 6,034,008	$ -	$ -	$ 6,034,008
Investment properties expenses	(1,651,393)	-	-	(1,651,393)
Net rental income	**4,382,615**	-	-	**4,382,615**
Parking properties revenue	-	1,078,637	-	1,078,637
Parking properties expenses	-	(1,173,559)	-	(1,173,559)
Share of income from equity-accounted investees	-	30,067	-	30,067
Net parking and equity-accounted loss	-	**(64,855)**	-	**(64,855)**
Other income				
Investment income	-	-	831,760	831,760
Unrealized gain on investments at fair value	-	-	6,093,973	6,093,973
Unrealized loss on derivative financial instruments	-	-	(419,381)	(419,381)
	-	-	**6,506,352**	**6,506,352**
Other expenses				
General and administrative expenses and other income	-	(31,350)	685,775	654,425
Depreciation	-	-	1,713,182	1,713,182
Finance costs	-	-	1,899,002	1,899,002
	-	**(31,350)**	**4,297,959**	**4,266,609**
Income (loss) before tax	**4,382,615**	**(33,505)**	**2,208,393**	**6,557,503**
Income tax expense	-	-	(204,930)	(204,930)
NET INCOME (LOSS)	**$ 4,382,615**	**$ (33,505)**	**$ 2,003,463**	**$ 6,352,573**
Total assets	$ 292,300,719	$ 15,659,140	$ 7,970,528	$ 315,930,387
Total liabilities	$ 5,963,432	$ 6,436,282	$ 137,725,065	$ 150,124,779

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For the three months ended June 30, 2025	Investment Properties	Parking Properties	Corporate	Total
Investment properties revenue	$ 7,750,540	$ -	$ -	$ 7,750,540
Investment properties expenses	(2,487,027)	-	-	(2,487,027)
Net rental income	**5,263,513**	-	-	**5,263,513**
Parking properties revenue	-	1,209,801	-	1,209,801
Parking properties expenses	-	(1,192,205)	-	(1,192,205)
Share of loss from equity-accounted investees	-	(7,420,782)	-	(7,420,782)
Net parking and equity-accounted loss	-	**(7,403,186)**	-	**(7,403,186)**
Other income (loss)				
Gain on disposition	24,804,916	-	-	24,804,916
Investment income	-	-	241,935	241,935
Unrealized loss on investments at fair value	-	-	(258,065)	(258,065)
Unrealized gain on derivative financial instruments	-	-	905,656	905,656
	24,804,916	-	**889,526**	**25,694,442**
Other (income) expenses				
General and administrative expenses and other income	-	(31,532)	497,135	465,603
Depreciation	-	-	2,386,474	2,386,474
Finance costs	-	-	2,543,366	2,543,366
	-	**(31,532)**	**5,426,975**	**5,395,443**
NET INCOME (LOSS)	**$ 30,068,429**	**$ (7,371,654)**	**$ (4,537,449)**	**$ 18,159,326**
Total assets	$ 279,889,824	$ 16,124,424	$ 11,077,021	$ 307,091,269
Total liabilities	$ 6,056,510	$ 6,206,017	$ 136,998,867	$ 149,261,394

For the six months ended June 30, 2026	Investment properties	Parking properties	Corporate	Total
Investment properties revenue	$ 11,937,434	$ -	$ -	$ 11,937,434
Investment properties expenses	(3,412,382)	-	-	(3,412,382)
Net rental income	**8,525,052**	-	-	**8,525,052**
Parking properties revenue	-	2,076,071	-	2,076,071
Parking properties expenses	-	(2,318,680)	-	(2,318,680)
Share of loss from equity-accounted investees	-	(77,289)	-	(77,289)
Net parking and equity-accounted loss	-	**(319,898)**	-	**(319,898)**
Other income (loss)				
Investment income	-	-	1,623,142	1,623,142
Unrealized gain on investments at fair value	-	-	4,143,140	4,143,140
Unrealized loss on derivative financial instruments	-	-	(150,121)	(150,121)
	-	-	**5,616,161**	**5,616,161**
Other (income) expenses				
General and administrative expenses and other income	-	(62,556)	1,395,013	1,332,457
Depreciation	-	-	3,422,462	3,422,462
Finance costs	-	-	3,785,158	3,785,158
	-	**(62,556)**	**8,602,633**	**8,540,077**
Income (loss) before tax	**8,525,052**	**(257,342)**	**(2,986,472)**	**5,281,238**
Income tax expense	-	-	(314,933)	(314,933)
NET INCOME (LOSS)	**$ 8,525,052**	**$ (257,342)**	**$ (3,301,405)**	**$ 4,966,305**
Total assets	$ 292,300,719	$ 15,659,140	$ 7,970,528	$ 315,930,387
Total liabilities	$ 5,963,432	$ 6,436,282	$ 137,725,065	$ 150,124,779

For the six months ended June 30, 2025	Investment Properties	Parking Properties	Corporate	Total
Investment properties revenue	$ 14,871,681	$ -	$ -	$ 14,871,681
Investment properties expenses	(4,722,132)	-	-	(4,722,132)
Net rental income	**10,149,549**	-	-	**10,149,549**
Parking properties revenue	-	2,348,524	-	2,348,524
Parking properties expenses	-	(2,347,592)	-	(2,347,592)
Share of loss from equity-accounted investees	-	(7,600,819)	-	(7,600,819)
Net parking and equity-accounted loss	-	**(7,599,887)**	-	**(7,599,887)**
Other income (loss)				
Gain on disposition	24,804,916	-	-	24,804,916
Investment income	-	-	241,935	241,935
Unrealized loss on investments at fair value	-	-	(258,065)	(258,065)
Unrealized gain on derivative financial instruments	-	-	270,502	270,502
	24,804,916	-	**254,372**	**25,059,288**
Other (income) expenses				
General and administrative expenses and other income	-	(63,579)	1,202,863	1,139,284
Depreciation	-	-	4,777,947	4,777,947
Finance costs	-	-	5,053,193	5,053,193
	-	**(63,579)**	**11,034,003**	**10,970,424**
NET INCOME (LOSS)	**$ 34,954,465**	**$ (7,536,308)**	**$ (10,779,631)**	**$ 16,638,526**
Total assets	$ 279,889,824	$ 16,124,424	$ 11,077,021	$ 307,091,269
Total liabilities	$ 6,056,510	$ 6,206,017	$ 136,998,867	$ 149,261,394

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FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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.

In fiscal 2025, the Company sold its investment properties in Winnipeg, Manitoba and London, Ontario. The Company has disclosed its revenue, expenses and net rental income relating to retained and disposed assets. The Company's retained assets have shown solid growth as a result of new leases, renewals and new property acquisitions.

Investment properties revenue fell to $6,034,008 and $11,937,434 respectively, for the three and six months ended June 30, 2026, compared to $7,750,540 and $14,871,681, respectively for the three and six months ended June 30, 2025. The decrease in revenue from investment properties is due to lost revenue from dispositions made by the Company during previous fiscal year.

Of the investment properties revenue for properties not disposed, the revenues increased to $6,034,008 and $11,937,434 respectively for the three and six months ended June 30, 2026, compared to $5,274,415 and $ 10,273,484 for the three and six months ended June 30, 2025. The increase in revenue from investment properties is due to lease renewals, new leases at market rates, and new acquisitions made by Parkit.

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

Investment properties expenses decreased to $1,651,393 and $3,412,382 respectively, for the three and six months ended June 30, 2026, compared to $2,487,027 and $4,722,132 respectively, for the three and six months ended June 30, 2025. The difference in expenses from investment properties is due to the disposal of the Winnipeg and London assets, offset partially by an increase from the remaining investment properties during the year. The Company maintains its margins for stabilized investment properties and improved its margins for in-transition/in development investment properties.

Net rental income decreased to $4,382,615 and $8,525,052 respectively, for the three and six months ended June 30, 2026, compared to $5,263,513 and $10,149,549, respectively, for the three and six months ended June 30, 2025. The net rental income decreased due to the disposal of the Winnipeg and London assets, offset partially by the increase in net rental income from new leases, streamlining costs and adding revenue for in-transition and in-development properties.

Net rental income for properties not disposed increased to $4,382,615 and $8,525,052 respectively for the three and six months ended June 30, 2026, compared to $3,611,903 and $7,250,764 respectively for the three and six months ended June 30, 2025. The increase in net rental income from investment properties retained is due to lease renewals, new leases at market rates, and new acquisitions made by the Company.

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

Stabilized properties (i)		In-transition and in-development properties (ii)
• 5600 Finch Ave East	• 144 Henderson Dr	• 415 Legget Dr (iv)
• 4390 Paletta Crt	• 195 Henderson Dr	
• 1165 Kenaston St	• 2 Ramm Ave	
• 1151-1181 Parisien St	• 859 - 57th Street E	
• 1665 Blvd Lionel-Bertrand	• 1650 Comstock Rd	
• 5610 Finch Ave East (iii)	• 1650 Blvd Lionel-Bertrand	
• 3455 Mainway Dr	• 16630 114th Avenue NW	
• 5300 Harvester Rd	• 720 Tapscott Rd (iii)	
• 1155 Lola St		
• 1485 Speers Rd		

(i) During the 2025 fiscal year, Parkit sold a portfolio of following seven 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, 961-975 Sherwin Road, and 555 Camiel). Stabilized properties included the results of these properties to the date of disposition.

(ii) In November 2025, Parkit contributed the land and building at 568 Second Street to the newly formed partnership, 760 Second Street Partnership.

(iii) 5610 Finch Ave East and 720 Tapscott Rd are stabilized with a medium term lease until the properties move to development.

(iv) 415 Legget Dr is repositioning; the properties may have interim revenue during this process.

Investment properties – retained and disposed

	For the three months ended June 30, 2026			For the three months ended June 30, 2025		
	Investment properties retained	**Investment properties disposed**	**Total**	**Investment properties retained**	**Investment properties disposed**	**Total**
Investment properties revenue	$ 6,034,008	-	$ 6,034,008	$ 5,274,415	$ 2,476,125	$ 7,750,540
Investment properties expenses	(1,651,393)	-	(1,651,393)	(1,662,512)	(824,515)	(2,487,027)
Net rental income	**$ 4,382,615**	**-**	**$ 4,382,615**	**$ 3,611,903**	**$ 1,651,610**	**$ 5,263,513**
Gross margin	**73%**	**N/A**	**73%**	**68%**	**67%**	**68%**

	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Investment properties retained	**Investment properties disposed**	**Total**	**Investment properties retained**	**Investment properties disposed**	**Total**
Investment properties revenue	$ 11,937,434	-	$ 11,937,434	$ 10,273,484	$ 4,598,197	$ 14,871,681
Investment properties expenses	(3,412,382)	-	(3,412,382)	(3,022,720)	(1,699,412)	(4,722,132)
Net rental income	**$ 8,525,052**	**-**	**$ 8,525,052**	**$ 7,250,764**	**$ 2,898,785**	**$ 10,149,549**
Gross margin	**71%**	**N/A**	**71%**	**71%**	**63%**	**68%**

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

	For the three months ended June 30, 2026			For the three months ended June 30, 2025		
	Stabilized properties	In-transition / in-development properties (i)	Total	Stabilized properties	In-transition / in-development properties (i)	Total
Investment properties revenue	$ 5,401,509	$ 632,499	$ 6,034,008	$ 7,413,896	$ 336,644	$ 7,750,540
Investment properties expenses	(1,468,275)	(183,118)	(1,651,393)	(2,274,715)	(212,312)	(2,487,027)
Net rental income (loss)	**$ 3,933,234**	**$ 449,381**	**$ 4,382,615**	**$ 5,139,181**	**$ 124,332**	**$ 5,263,513**
Gross margin	**73%**	**71%**	**73%**	**69%**	**37%**	**68%**

	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Stabilized properties	In-transition / in-development properties (i)	Total	Stabilized properties	In-transition / in-development properties (i)	Total
Investment properties revenue	$ 10,744,480	$ 1,192,954	$ 11,937,434	$ 14,257,774	$ 613,907	$ 14,871,681
Investment properties expenses	(2,931,318)	(481,064)	(3,412,382)	(4,299,585)	(422,547)	(4,722,132)
Net rental income (loss)	**$ 7,813,162**	**$ 711,890**	**$ 8,525,052**	**$ 9,958,189**	**$ 191,360**	**$ 10,149,549**
Gross margin	**73%**	**60%**	**71%**	**70%**	**31%**	**68%**

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

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

The Company recognized a realized and unrealized loss on derivative financial instruments of $419,381 and $150,121, respectively, for the three and six months ended June 30, 2026 as a result of fluctuating interest rates and loans reaching their maturities, compared to a gain of $905,656 and $270,502, respectively, for the three and six months ended June 30, 2025.

Unrealized gain (loss) on investments at fair value

Unrealized gain on investments at fair value was recorded at $6,093,973 and $4,143,140 respectively for the three and six months ended June 30, 2026 (three and six months ended June 30, 2025 – loss of $258,065 and $258,065). This attributes to the period-end fair value remeasurement of the PROREIT shares received in 2025 as a consideration upon disposition of the investment properties throughout the year and additional trust unit purchases till June 2026, with changes in market value at the reporting date recognized as unrealized gain for the period.

Investment Income

The Company recorded an investment income of $831,760 and $1,623,142 respectively for the three and six months ended June 30, 2026 (three and six months ended June 30, 2025 – $241,935 and $241,935). This is a result of dividends received from holding PROREIT units that pay $0.0375 per share on a monthly basis.

General and administrative expenses and other income

General and administrative expenses and other income increased to $654,425 and $1,332,457, respectively, for the three and six months ended June 30, 2026, compared to $465,603 and $1,139,284, respectively for the three and six months ended June 30, 2025. The G&A were comparable for the three and six 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 $1,713,182, and $3,422,462, respectively, for the three and six months ended June 30, 2026, compared to $2,386,474 and $4,777,947, respectively, for the three and six months ended June 30, 2025. The decrease in depreciation is due to the decrease of real estate and equipment assets held by the Company up to the end of the period.

Finance costs

The finance costs were $1,899,002 and $3,785,158, respectively, for the three and six months ended June 30, 2026, compared to $2,543,366 and $5,053,193, for the three and six months ended June 30, 2025. The Company used swaps to fix interest rates on its debt with a weighted average effective interest rate of 5.17% and an average term to maturity of 2.2 years.

Net income and loss

The net income was $6,352,573 and $4,966,305, respectively, for the three and six months ended June 30, 2026, compared to a net income of $18,159,326 and $16,638,526, respectively, for the three and six months ended June 30, 2025. The significant decrease in net income was a result of the gains on disposition of investment properties, higher net rental income in the prior periods that were also offset by higher depreciation and finance costs.

Funds from Operations ("FFO")

		Three months ended June 30, 2026		Three months ended June 30, 2025		Change in $	Change in %
Net income and comprehensive income	$	6,352,573	$	18,159,326	$	(11,806,753)	
Add / (deduct):							
Share of (income) loss from equity-accounted investees		(30,067)		7,420,782		(7,450,849)	
Depreciation		1,713,182		2,386,474		(673,292)	
Realized and unrealized loss (gain) on derivative financial instruments		419,381		(905,656)		1,325,037	
Foreign exchange loss (gain)		41,823		(241,906)		283,729	
Gain on disposition		-		(24,804,916)		24,804,916	
Unrealized (gain) loss on investments at fair value		(6,093,973)		258,065		(6,352,038)	
Income tax expense		204,930		-		204,930	
FFO	**$**	**2,607,849**	**$**	**2,272,169**	**$**	**335,680**	**15%**
FFO per share (basic)	**$**	**0.19**	**$**	**0.16**	**$**	**0.03**	**19%**

		Six months ended June 30, 2026		Six months ended June 30, 2025		Change in $	Change in %
Net income and comprehensive income (loss)	$	4,966,305	$	16,638,526	$	(11,672,221)	
Add / (deduct):							
Share of loss from equity-accounted investees		77,289		7,600,819		(7,523,530)	
Depreciation		3,422,462		4,777,947		(1,355,485)	
Realized and unrealized loss (gain) on derivative financial instruments		150,121		(270,502)		420,623	
Foreign exchange loss (gain)		147,046		(246,219)		393,265	
Gain on disposition		-		(24,804,916)		24,804,916	
Unrealized (gain) loss on Investments at fair value		(4,143,140)		258,065		(4,401,205)	
Income tax expense		314,933		-		314,933	
FFO	**$**	**4,935,016**	**$**	**3,953,720**	**$**	**981,296**	**25%**
FFO per share (basic)	**$**	**0.35**	**$**	**0.27**	**$**	**0.08**	**30%**

The FFO for the three and six months ended June 30, 2026 was $2,607,849 and $4,935,016, respectively, compared to an FFO of $2,272,169 and $3,953,720, for the three and six months ended June 30, 2025, which represents a 15% and 25% increase in FFO, respectively. For the three and six 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 dividend income since Q2 2025.

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, 2025, 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 June 30, 2026		Three months ended June 30, 2025		Change in $	Change in %
Stabilized comparative properties NOI	**$**	**3,419,988**	**$**	**3,281,849**	**$**	**138,139**	**4%**
NOI from newly acquired properties		420,498		129,296		291,202	
NOI from disposed properties		-		1,523,034		(1,523,034)	
Straight line rent		91,539		249,310		(157,771)	
NOI from unstabilized properties		450,590		80,024		370,566	
Net rental income	**$**	**4,382,615**	**$**	**5,263,513**	**$**	**(880,898)**	**(17%)**

		Six months ended June 30, 2026		Six months ended June 30, 2025		Change in $	Change in %
Stabilized comparative properties NOI	**$**	**6,812,774**	**$**	**6,515,033**	**$**	**297,741**	**5%**
NOI from newly acquired properties		786,438		240,640		545,798	
NOI from disposed properties		-		2,820,376		(2,820,376)	
Straight line rent		288,164		461,476		(173,312)	
NOI from unstabilized properties		637,676		112,024		525,652	
Net rental income	**$**	**8,525,052**	**$**	**10,149,549**	**$**	**(1,624,497)**	**(16%)**

Investment properties - acquisitions

The Company did not make any investment property acquisitions for the six months ended June 30, 2026.

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

Property address	Number of properties	GLA		Cost	Date acquired
1650 Boulevard Lionel Bertrand, Boisbriand, Quebec	1	62,680		10,250,000	February 6, 2025
16630 114th Avenue NW, Edmonton, Alberta	1	99,690		10,750,000	August 6, 2025
For the year ended December 31, 2025	**2**	**162,370**	**$**	**21,000,000**	

Investment properties disposals

The Company did not make any investment property disposals for the six months ended June 30, 2026.

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

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

In-development properties

The following table summarizes the Company's ongoing in-development projects as at June 30, 2026:

Property	Planned GLA	Ownership	Comment
Planning and permitting stage			
5610 Finch Ave East & 720 Tapscott Rd, Toronto, Ontario	121,050	100%	Construction to commence in 2028
415 Legget Dr, Ottawa, Ontario	150,000	100%	Construction to commence in 2028
Total	**271,050**		

The Company continues to advance its development plans at 5610 Finch Avenue East and 720 Tapscott Rd where the Company plans to add at least 121,050 sq feet, resulting in at least 175,000 sq feet at these two properties. The Company extended construction to 2028 as their current tenant has a lease term to Q4 2027.

The Company plans to develop 415 Legget Dr, by repositioning the property from a flexible office to a light industrial facility and adding at least 150,000 sq feet of gross leasable area to the property. The Company continues to market the property as a build to suit for an industrial user.

Over the long term, management intends to expand the Company's development program on a selective basis through building expansions or construction on new properties. In all cases, the objective of the development is to generate elevated returns to augment the returns from the Company's core portfolio of stabilized assets and to upgrade the portfolio through the addition of assets, but in a manner that minimizes risk to the Company. The Company's development focus is where capitalization rates are at lows and in areas where the market remains undersupplied.

Investment properties portfolio

As of June 30, 2026, Parkit owns and operates a portfolio of 19 investment properties totaling 1,473,068 sf of GLA consisting of 1,278,705 sf of stabilized properties and 194,363 sf of in-development properties.

The Company leases investment properties to tenants under operating leases. In Q2, the Company had 100% collections and the stabilized properties are 100% tenanted.

As at June 30, 2026, the Company's tenants operate in a variety of industries, with no one tenant accounting for more than 13.16% of total GLA. The Company's portfolio of 19 investment properties has 48 tenants.

As at June 30, 2026, the Company has an in-place and committed occupancy of 100% for 18 stabilized properties. The stabilized properties have an average in-place net rent of $14.25 per square feet compared with the weighted average market rents of $15.43 per square feet for the portfolio in Q2 of 2026[1].

Portfolio as at June 30, 2026	Total GLA	Average in-place base rent (per sf)	Estimated market rent (per sf)	WALT
Greater Toronto Area +, Ontario	436,403	$17.49	$16.11	3.8 years
Ottawa, Ontario and Montreal, Quebec	563,266	$14.21	$16.27	4.6 years
Total Ontario and Quebec properties	999,669	$15.08	$16.21	4.3 years
Winnipeg, Manitoba and Saskatchewan	279,036	$10.63	$12.09	4.9 years
Total portfolio	**1,278,705**	**$14.25**	**$15.43**	**4.4 years**

(i) Total GLA for portfolio excludes in-development assets of 194,363 sf.

Leasing activity – renewals

	Renewal Total	
	GLA	Rental rate growth (%)
For 3 months ended June 30, 2026	27,348	28%
For 3 months ended March 31, 2026	29,724	4%
For 3 months ended December 31, 2025	4,607	19%
For 3 months ended September 30, 2025	2,200	0%
For 3 months ended June 30, 2025	97,430	47%

Leasing activity – new deals

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

- Q1 2026, Parkit signed a 10-year lease for 15,000 sf at 415 Legget Dr starting at $14.50 net psf
- Q1 2026, Parkit signed a month to month lease for 29,599 sf at 1165 Kenaston St starting at $20.00 gross psf
- Q4 2025, Parkit signed a 5-year lease for 25,000 sf at 415 Legget Dr starting at $10.35 net psf
- Q2 2025, Parkit signed a 5-year lease for 22,000 sf at 415 Legget Dr starting at $17.76 net psf
- Q2 2025, Parkit signed a 3-year and 5-month land lease at 720 Tapscott Rd starting at $2.75 net psf
- Q1 2025, Parkit signed a 15-year lease for 25,000 sf at 415 Legget Dr starting at $10.30 net psf

[1] Per CBRE and Colliers – Canada Q2 2025 Quarterly Statistics

Lease maturity

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

Portfolio as at June 30, 2026	Vacancy	2026	2027	2028	2029	2030+	Total [(i)]
Total vacancy / renewal (sf)	4,647	18,887	237,799	282,363	193,751	541,258	1,278,705
Percentage of stabilized GLA	0%	1%	19%	22%	15%	43%	

(i) Includes stabilized properties, total GLA excludes 194,363 sf for 415 Legget Dr and 720 Tapscott Rd

PARKING PROPERTIES AND EQUITY-ACCOUNTED INVESTEES

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

Parking properties

The Company holds two direct Parking investments:

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

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

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Parking properties revenue	$ 1,078,637	$ 1,209,801	$ 2,076,071	$ 2,348,524
Parking properties expenses	(1,173,559)	(1,192,205)	(2,318,680)	(2,347,592)
Parking properties net operating (loss) income	**$ (94,922)**	**$ 17,596**	**$ (242,609)**	**$ 932**

The Company's direct parking investments, Fly Away Parking and Z Park, had parking properties revenue of $1,078,637 and $2,076,071 respectively for the three and six months ended June 30, 2026, compared to revenue of $1,209,801 and $2,348,524 respectively for the three and six months ended June 30, 2025. The parking properties revenue is lower as its Fly Away Parking lost a long-term tenant for the secondary lot. To increase future revenue, the Company is entering into a partnership with a 3rd party aggregator to drive additional revenue into the secondary lot which will boost performance in the upcoming period. The parking properties expenses incurred significant costs for maintenance and snow clearing, which were not budgeted for the period. The Company will transition both lots from valet to self-park to streamline operations and lower costs. The parking properties will look to see these savings in Q3.

The Company had a parking properties net operating loss of $94,922 and $242,609 respectively for the three and six months ended June 30, 2026, compared to a parking properties net operating income of $17,596 and $932 respectively for the three and six months ended June 30, 2025. The result in losses for the three and six months ended June 30, 2026 is due to slower revenue as a result of slower airport activity in the US, but also an increase in cost due to weather and repairs. The parking lots continue to transition to a lower cost self-park model, which should help results in future quarters.

Overall, the US economy has faced an uncertain market environment with air travel declining on a year over year basis at the Company's parking lots. The Company continues to work with its parking manager to improve the operations and is evaluating all options including potential restructuring and strategic alternatives. The parking properties should see improvement with seasonality and will account for the cost savings from self park in Q3.

Investment in equity-accounted investee – PAVe LLC

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

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

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

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

The Company's share of income and loss in equity-accounted investees from PAVe LLC, was an income of $29,197 and loss of 77,989 for the three and six months respectively ended June 30, 2026, compared to a loss of $7,420,782 and $7,600,819 for the three and six months respectively ended June 30, 2026. The change in the three and six months ended June 30, 2026 is a result of an impairment recognized in 2025 relating to investments in equity-accounted investees.

Investment in equity-accounted investee – 760 Second Street Partnership

In November 2025, Parkit contributed the land and building at 568 Second Street to the newly formed investment, 760 Second Street Partnership ("760 Second St GP"), at $12,900,000 and redeemed 50% of its interest to two new partners for proceeds of $3,225,000 and a note receivable of $3,225,000. The remaining 50% interest is held equally by Decade Capital Corporation ("Decade") and Southside Construction Management Limited ("Southside"). The Development Manager is Decade, who manages the daily operations, the 760 Second St GP requires a 75% voting threshold that must be met for any binding resolutions, including budgets, financing and capital allocation matters. For this reason, despite the Company retaining a 50% interest in the partnership, it is classified as a significant influence equity accounted investment in associate, as the Company requires agreement from one of the other partners for approval of relevant decisions. The development is expected to result in 543 residential units and 487,151 square feet of total GLA. As at June 30, 2026, the construction is continuing on budget and on schedule, with an estimated completion in 2028.

The 760 Second St GP has distributed $4,300,000 to the partners, which resulted in a distribution of $2,150,000 being received by Parkit.

For the three and six months ended June 30, 2026, the 760 Second St GP had a net gain $1,740 and $1,400 respectively, mainly as a result of other income netted of by general and admin costs (three and six months ended June 30, 2025 – $Nil).

Summarized financial information of equity-accounted investees

The details of the equity-accounted investees are detailed below and can also be found in Financial Statement note 6. The operations of the equity-accounted investees translated using average exchange rates for the period are summarized as follows:

		For the three months ended June 30, 2026		For the three months ended June 30, 2025		For the six months ended June 30, 2026		For the six months ended June 30, 2025
Share of gain (loss) from PAVe LLC	$	29,197	$	186,579	$	(77,989)	$	6,542
Share of gain from 760 Second St GP		870		-		700		-
Impairment of investment in joint venture		-		(5,677,289)		-		(5,677,289)
Impairment of long-term receivable		-		(1,309,728)		-		(1,309,728)
Impairment from investment in associate		-		(620,344)		-		(620,344)
Share of gain (loss) from equity-accounted investees	**$**	**30,067**	**$**	**(7,420,782)**	**$**	**(77,289)**	**$**	**(7,600,819)**

Investments at fair value

The Company has investments at fair value, additional details can be found in Financial Statement note 5.

	Number of Shares		Share Price		June 30, 2026
PRO Real Estate Investment Trust – Trust Units	5,236,405	$	7.05	$	36,916,655
PRO Real Estate Investment Trust – LP Units	2,675,000	$	7.05		18,858,750
Balance at end of period	**7,911,405**	**$**	**7.05**	**$**	**55,775,405**

PROREIT is an unincorporated open-ended real estate investment trust which owns a portfolio of high-quality industrial real estate properties in Canada, with a strong industrial focus in robust secondary markets. The trust units of PROREIT trade on the Toronto Stock Exchange (the "TSX"). For the six months ended June 30, 2026, the Company had purchased an additional 930,731 trust units, with an average price of $6.35 per unit.

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 June 30, 2026, both units pay a monthly distribution of $0.0375.

During the three and six months ended June 30, 2026, the Company has recognized investment income of $831,760 and $1,623,142 from the units (three and six months ended June 30, 2025 - $241,935 and $241,935). During the three and six months ended June 30, 2026, an unrealized fair value gain through profit and loss of $6,093,973 and $4,143,140 due to changes in fair market value (three and six months ended June 30, 2025 - an unrealized fair value loss through profit and loss of $258,065 and $258,065).

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

Additionally, the PROREIT units are pledged as security for debt as of June 30, 2026 (Financial Statement note 9).

PARKIT
ENTERPRISE INC

SECTION 5 – SUMMARY OF QUARTERLY RESULTS

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

	Three months ended June 30, 2026	Three months ended March 31, 2026	Three months ended December 31, 2025	Three months ended September 30, 2025
Investment properties revenue	$ 6,034,008	$ 5,903,426	$ 6,232,784	$ 5,434,980
Investment properties expense	(1,651,393)	(1,760,989)	(1,854,525)	(1,412,368)
Net rental income (i)	**4,382,615**	**4,142,437**	**4,378,259**	**4,022,612**
Parking properties revenue (ii)	1,078,637	997,434	1,038,770	1,204,236
Parking properties expense	(1,173,559)	(1,145,121)	(1,088,644)	(1,096,838)
Share of income (loss) from equity investees (iii)	30,067	(107,356)	39,467	195,528
Net parking and equity-accounted (loss) income	**(64,855)**	**(255,043)**	**(10,407)**	**302,926**
Other income (loss)				
Gain on sale of investment properties (iv)	-	-	1,960,932	-
Investment income (v)	831,760	791,382	756,506	728,458
Unrealized gain (loss) on investments at fair value (vi)	6,093,973	(1,950,833)	5,015,607	829,103
Realized and unrealized (loss) gain on derivative of financial instruments	(419,381)	269,260	167,724	(40,163)
	6,506,352	**(890,191)**	**7,900,769**	**1,517,398**
Other expenses				
General, admin and other (vii)	654,425	678,032	553,507	733,270
Share-based compensation	-	-	205,371	-
Depreciation	1,713,182	1,709,280	1,779,946	1,777,770
Finance costs (viii)	1,899,002	1,886,156	1,909,496	2,008,727
	4,266,609	**4,273,468**	**4,448,320**	**4,519,767**
Income (loss) before tax	**6,557,503**	**(1,276,265)**	**7,820,301**	**1,323,169**
Income tax expense (ix)	(204,930)	(110,003)	(262,875)	-
Net income (loss) and comprehensive income (loss)	**$ 6,352,573**	**$ (1,386,268)**	**$ 7,557,426**	**$ 1,323,169**
Per share – basic and diluted	**$ 0.46**	**$ (0.09)**	**$ 0.52**	**$ 0.09**
FFO	**$ 2,607,849**	**$ 2,327,167**	**$ 2,525,542**	**$ 2,236,385**
FFO per share	**$ 0.19**	**$ 0.16**	**$ 0.17**	**$ 0.15**

(i) Net rental income has continued to increase with the Company onboarding new investment properties, signing leases and renewing tenants. Q2 and Q1 2026 decreased slightly from Q4 2025 due to seasonality.
(ii) Parking revenues have plateaued. Fly away parking lost a long-term tenant, results should improve once that tenant is replaced.
(iii) Share of income (loss) from equity investees fluctuate due to seasonality
(iv) In Q4 2025, the company sold a property to a newly formed joint venture, which is accounted as an equity investee as well as a sale of an additional property
(v) Investment income continues to increase as the Company's investments at fair value have continued to increase
(vi) The fluctuations in the unrealized loss (gain) on derivative financial instruments are a result of changes to interest rates, as well as the approaching maturity dates of the swaps
(vii) General, admin and other remains consistent, with fluctuations relating to gain and loss relating to foreign exchange
(viii) The finance costs have remained stable in fiscal 2026 as the Company has fixed a significant portion of its debt.
(ix) The Company had a tax expense relating to its parking assets and investments in equity investees

		Three months ended June 30, 2025		Three months ended March 31, 2025		Three months ended December 31, 2024		Three months ended September 30, 2024
Investment properties revenue	$	7,750,540	$	7,121,141	$	6,950,930	$	6,700,904
Investment properties expense		(2,487,027)		(2,235,105)		(1,988,173)		(2,161,317)
Net rental income [i]		**5,263,513**		**4,886,036**		**4,962,757**		**4,539,587**
Parking properties revenue		1,209,801		1,138,723		1,117,319		971,041
Parking properties expenses		(1,192,205)		(1,155,387)		(986,600)		(722,106)
Share of (loss) income from equity investees [ii]		(7,420,782)		(180,037)		53,549		(406,557)
Net parking and equity-accounted (loss) income		**(7,403,186)**		**(196,701)**		**184,268**		**(157,622)**
Other income (loss)								
Gain on sale of investment properties [iii]		24,804,916		-		-		-
Investment income [iv]		241,935		-		-		-
Unrealized loss on investments at fair value		(258,065)		-		-		-
Unrealized gain (loss) on derivative of financial instruments		905,656		(635,154)		482,344		(1,407,304)
		25,694,442		**(635,154)**		**482,344**		**(1,407,304)**
Other expenses								
General and admin and other [v]		465,603		673,681		894,994		574,612
Share-based compensation		-		-		204,126		-
Depreciation		2,386,474		2,391,473		2,241,961		2,191,960
Finance costs		2,543,366		2,509,827		2,474,974		2,327,686
		5,395,443		**5,574,981**		**5,816,055**		**5,094,258**
Income (loss) before tax		**18,159,326**		**(1,520,800)**		**(186,686)**		**(2,119,597)**
Income tax expense [vi]		-		-		(219,163)		-
Net income (loss) and comprehensive income (loss)	**$**	**18,159,326**	**$**	**(1,520,800)**	**$**	**(405,849)**	**$**	**(2,119,597)**
Per share – basic and diluted	**$**	**1.24**	**$**	**(0.10)**	**$**	**(0.03)**	**$**	**(0.14)**
FFO	**$**	**2,272,169**	**$**	**1,681,551**	**$**	**2,017,349**	**$**	**1,839,044**
FFO per share	**$**	**0.16**	**$**	**0.11**	**$**	**0.13**	**$**	**0.12**

(i) Net rental income had steadily increased with the Company onboarding new investment properties, signing leases and renewing tenants.
(ii) In Q1 2025 and Q3 of 2024, the Company had a loss from its joint ventures resulting from higher financing costs and seasonality in the joint ventures operations. In Q2 2025, the joint ventures operations improved, though 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.
(iii) In Q2 2025, the company had disposed of a portfolio of 6 properties resulting in a gain on sale.
(iv) Investment income is a result of the acquisition of investments at fair value that distribute monthly dividends.
(v) General and admin and other have fluctuated mainly due to changes in gain and loss on foreign exchange.
(vi) The Company incurred tax expenses relating to one-time gains on its parking investments in 2023. The expense was recorded in Q4 2024.

PARKIT
ENTERPRISE INC

SECTION 6 – LIQUIDITY AND CAPITAL RESOURCES

		Balance at June 30, 2026		Balance at December 31, 2025		Balance at December 31, 2024
Liquidity and leverage						
Cash	$	5,381,025	$	5,382,290	$	5,476,859
Working capital excluding long-term debt	$	2,259,734	$	2,397,792	$	3,299,008
Total assets	$	315,930,387	$	311,521,778	$	330,657,403
Total debt (loans and borrowings)	$	142,618,182	$	140,129,676	$	179,099,563
Total equity	$	165,805,608	$	164,399,327	$	143,819,035

Cash

Cash decreased to $5,381,025 as at June 30, 2026, from $5,382,290 as at December 31, 2025. The cash balances remain stable with cash used in development of property, acquisition of PROREIT shares, repayment of debt and to buy back shares, offset with cash from operations and proceeds from debt.

Working capital

Working capital excluding long-term debt decreased to $2,259,734 as at June 30, 2026, from $2,397,792 as at December 31, 2025. The decrease is a result of the decrease in cash and increase in short-term debt for the period.

The Company has some credit facilities maturing in March 2027, with the expectation that the facility will be extended upon maturity. The majority of this facility has already fixed its interest rate with the use of interest rate swaps. This amount has been excluded while calculating working capital.

		Total
Current assets and liabilities	$	3,642,080
Short-term debt		(1,331,019)
Credit facility due on maturity in March 2027		(66,921,000)
Current tenant deposit liabilities		(51,327)
Working capital		**(64,661,266)**
Credit facility due on maturity in March 2027		66,921,000
Working capital excluding long-term debt maturity	**$**	**2,259,734**

Total assets

Total assets increased to $315,930,387 as at June 30, 2026, from $311,521,778 as at December 31, 2025. The increase is primarily attributable to the acquisition and revaluation of investments in PROREIT shares to their fair value at the reporting date and increase in account receivables.

Total debt

Total debt increased to $142,618,182 as at June 30, 2026, from $140,129,676 as at December 31, 2025. The increase in debt is a result of the withdrawal of additional revolving line of credit and renewal of mortgage facilities.

PARKIT ENTERPRISE INC

Total equity

Total equity increased to $165,805,608 as at June 30, 2026, from $164,399,327 as at December 31, 2025. 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.

DEBT SUMMARY

The following table summarizes the debt as of June 30, 2026, and December 31, 2025.

	June 30, 2026				December 31, 2025			
	Rate range	**Weighted average**		**Balance**	**Rate range**	**Weighted average**		**Balance**
Mortgages:								
At amortized cost - fixed (i)	4.60% - 6.87%	5.30%	$	48,428,178	2.31% - 6.87%	4.99%	$	47,396,877
	Maturity: Dec 2028 to Dec 2030							
At FVTPL - Mortgage				7,981,690				8,147,324
- Fixed via interest rate swap (ii)				(244,335)				(261,452)
		3.49%		7,737,355		3.49%		7,885,872
	Maturity: Nov 2029				*Maturity: Nov 2029*			
Credit facilities:								
At FVTPL - Credit facilities (iii, iv)		4.66%		12,421,000		4.69%		10,842,604
At FVTPL - Credit facilities (iii)				74,100,166				73,937,068
- Fixed via interest rate swap (v)				399,834				562,932
		5.35%		74,500,000		5.45%		74,500,000
	Maturity: Mar 2027 to Mar 2029				*Maturity: Mar 2026 to Mar 2027*			
Total debt (vi)		**5.17%**		**143,086,533**		**5.13%**		**140,625,353**
Financing costs, net (vii)				(468,351)				(495,677)
Carrying value (viii)			$	**142,618,182**			$	**140,129,676**
Current debt			$	68,063,253			$	31,453,921
Non-current debt			$	74,554,929			$	108,675,755

i. As at June 30, 2026, included in these figures is a mortgage payable, with a USD equivalent balance of $4,075,262 (December 31, 2025 – $4,112,644 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 June 30, 2026, the interest rate swap on mortgages (Financial Statement note 10) was in a net asset position of $244,335 (December 31, 2025 – asset position of $261,452).

iii. Included in the credit facilities is a revolving line of credit of $74,000,000 of which $46,921,000 has been drawn upon as at June 30, 2026 (December 31, 2025 – $72,000,000 line of credit with $45,342,604 drawn), resulting in a remaining line of credit available of $27,079,000 (December 31, 2025 – $26,657,396). The interest rate applicable to the available line of credit will be determined in accordance with the prevailing variable interest rate.

iv. The balance includes a USD balance of $1,000,000 ($1,421,000 CAD) as at June 30, 2026 (December 31, 2025 – USD balance of $700,000 ($959,420 CAD)).

v. The Company has entered into a series of swap agreements to fix the interest rate of between 5.10% to 5.54% on the $74,500,000 combined revolving and non-revolving lines of credit, for the remainder of the loan term maturing on March 2027 to March 2029. The swap contracts require settlement of net interest receivable or payable every 30 days and have been accounted for at FVTPL. As of June 30, 2026, the interest rate swap on credit facilities was in a financial liability position amounting to $399,834 (December 31, 2025 – financial liability position of $562,932). The unrealized fair value of the swap position after loan maturity is detailed in Financial Statement note 10.

vi. The mortgages and lines of credit are collateralized by first charges on specific investment properties (Financial Statement note 3), parking properties (Financial Statement note 4), and investments at fair value (Financial Statement note 5).

vii. The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization of $1,212,511 as at June 30, 2026 (December 31, 2025 – $1,100,238).

viii. See Financial Statement note 18 for additional disclosure on the estimated fair value of the debt.

The following table provides a continuity of total debt for the six months ended June 30, 2026 and year ended December 31, 2025.

		June 30, 2026		December 31, 2025
Balance at beginning of period	$	140,129,676	$	179,099,563
Debt issuance (i)		10,187,186		27,071,475
Debt issuance costs		(79,104)		(387,364)
Debt repayment (i)		(7,985,897)		(65,669,207)
Change in fair value of mortgage payable measured at FVTPL		145,981		(586,609)
Change in fair value of interest rate swap		(145,981)		586,609
Amortization of debt issuance costs		112,273		341,244
Unrealized foreign exchange		254,048		(326,035)
Balance at end of period	**$**	**142,618,182**	**$**	**140,129,676**

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

Principal repayments on debt are estimated as follows:

		Total
2026	$	655,920
2027 (i)		68,282,866
2028 (i)		6,923,558
2029 (i)		27,988,251
2030 (i)		39,235,938
	$	**143,086,533**

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 9, with certain swaps maturing on dates beyond the maturities of the underlying debt. These swap positions have maturities between April 2027 and May 2031, with an option to cancel at a specified date in May 2029, at the option of the lender. The fair value of the financial instrument as June 30, 2026 is an unrealized derivative liability of $521,998

(December 31, 2025 – derivative liability of $371,877). As at June 30, 2026, the overall swap positions, up until its final maturity for all of the Company's swaps, are a financial liability of $677,497 (December 31, 2025 – financial liability of $673,357).

		June 30, 2026		December 31, 2025
Non-current:				
Fair value of swap to maturity – financial liability	$	677,497	$	673,357
Fair value of swap offset against mortgages (Financial Statement note 9)		244,335		261,452
Fair value of swap offset against credit facilities (Financial Statement note 9)		(399,834)		(562,932)
Unrealized fair value of derivative liabilities	**$**	**521,998**	**$**	**371,877**

i. See Financial Statement note 10

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

		For the three months ended June 30, 2026		For the three months ended June 30, 2025		For the six months ended June 30, 2026		For the six months ended June 30, 2025
Unrealized (loss) gain on derivative financial instruments	$	(419,381)	$	1,676,656	$	(150,121)	$	1,041,502
Realized loss on derivative financial instruments	$	-	$	(771,000)	$	-	$	(771,000)
	$	**(419,381)**	**$**	**905,656**	**$**	**(150,121)**	**$**	**270,502**

EQUITY

Shares outstanding

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

- 13,830,291 issued and outstanding common shares (June 30, 2026 – 13,832,191)
- 1,033,664 common share stock options outstanding (June 30, 2026 – 1,034,531)

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

	Number	Amount
Balance as at December 31, 2025	14,219,737	$ 157,514,080
Purchased and cancellation of common shares under NCIB	(387,546)	(4,294,403)
Balance at end of period	**13,832,191**	**$153,219,677**

Effective June 22, 2026, the Company consolidated its issued and outstanding common shares on the basis of 1 post-consolidation common share for every 15 pre-consolidation common shares (the "Reverse Split"). All common shares, stock options, and per share amounts in this report have been retrospectively adjusted to reflect the Reverse Split for all periods presented, unless otherwise noted. No fractional shares or stock options were issued in connection with the Reverse Split. The Company's authorized share capital continues to consist of an unlimited number of common shares, without par value, and total share capital was not affected by the Reverse Split.

In March 2025, the Company renewed the NCIB program to purchase for cancellation, during the 12-month period starting March 28, 2025, where the Company can purchase up to 739,224 of the outstanding common shares of the Company. The program will end on March 27, 2026. The program was renewed for a further 12-month period starting March 28, 2026, where the Company can purchase up to 766,793 of the outstanding common shares of the Company. The program will end on March 27, 2027. 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 six months ended June 30, 2026, the Company purchased and cancelled 387,546 (December 31, 2025 – 654,358) common shares pursuant to its NCIB for a total of $3,560,024 (December 31, 2025 – $5,144,200) at an average price of $9.19 (December 31, 2025 – $7.86) per share. The Company's share capital was reduced by $4,294,403 (December 31, 2025 – $7,250,970) for the value of the shares purchased for cancellation with the excess of $734,379 paid under the value was recognized as a change in the retained earnings (deficit) (December 31, 2025 – the excess of $2,106,770 under the value recognized as a change in the retained earnings (deficit)).

Stock options

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at December 31, 2025	1,034,531	$16.57
Balance at end of period	**1,034,531**	**$16.57**

As at June 30, 2026, the following stock options were outstanding and exercisable:

Exercise Price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
$8.40	91,395	91,395	9.51
$9.00	104,230	104,230	8.51
$9.45	144,234	144,234	7.50
$15.75	230,000	230,000	6.56
$22.50	464,672	464,672	5.23
$16.57	**1,034,531**	**1,034,531**	**6.55**

LIQUIDITY

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

The available liquidity of the Company is summarized as follows:

		June 30, 2026		December 31, 2025
Cash		5,381,025		5,382,290
Available financing based on existing credit facilities [(i)]		27,079,000		26,657,396
Estimated available liquidity [(ii)]	**$**	**32,460,025**	**$**	**32,039,686**

(i) The Company has a facility with a bank for a revolving line of credit of $74,000,000, of which $46,921,000 has been drawn upon, resulting in a remaining line of credit available of $27,079,000. See Financial Statement note 9 for more details.

(ii) As at June 30, 2026, the estimated available liquidity was $32,460,025, compared to $32,039,686 as at December 31, 2025. The available liquidity increased as the Company has increased level of available financing from credit facilities. The Company expects to use a combination of the estimated available liquidity, proceeds from debt and issuance of shares to acquire future investment properties

CASH FLOW SUMMARY

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

		June 30, 2026		June 30, 2025
Cash flows from operating activities	$	9,829,057	$	8,651,289
Cash flows (used in) from investing activities		(4,726,175)		42,232,558
Cash flows used in financing activities		(5,114,694)		(45,222,871)
(Decrease) increase in cash and cash equivalents		(11,812)		5,660,976
Foreign exchange effect on cash		10,547		(13,313)
Cash balance, beginning of the period		5,382,290		5,476,859
Cash balance, end of period	**$**	**5,381,025**	**$**	**11,124,522**

Operating activities:

The Company received net cash of $9,829,057 in operating activities for the six months ended June 30, 2026, compared to cash flow from operations of $8,651,289 for the six months ended June 30, 2025. The increase in operating cash flows is a result of higher FFO excluding debt repayments.

Investing activities:

The Company used net cash of $4,726,175 in investing activities for the six months ended June 30, 2026, compared to cash received of $42,232,558 for the six months ended June 30, 2025. The increase in cash outflow is a result of no portfolio disposition during this period compared to the same comparative period.

Financing activities:

The Company used net cash of $5,114,694 from financing activities for the six months ended June 30, 2026, compared to cash used of $45,222,871 for the six months ended June 30, 2025. The decrease in cash used was a result of decrease proceeds and repayment of debt borrowings.

SECTION 7 – DISCLOSURES

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

The Company does not have any off-balance sheet arrangements or contingencies as at June 30, 2026.

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 June 30, 2026		For the three months ended June 30, 2025		For the six months ended June 30, 2026		For the six months ended June 30, 2025
Total for all senior management								
Salaries, fees, and benefits	$	**87,018**	$	**87,018**	$	**174,036**	$	**174,036**
Total for all directors								
Director fees		**36,000**		**36,000**		**72,000**		**72,000**
Property expenses and other general operating expenses								
Investment properties expenses		284,298		381,179		616,825		758,017
Professional fees and other administrative expenses		458,370		471,840		916,601		904,051
Finance costs		5,475		35,357		10,885		41,083
		748,143		**888,376**		**1,544,311**		**1,703,151**
Total	$	**871,161**	$	**1,011,394**	$	**1,790,347**	$	**1,949,187**

Transactions with related parties

The Company entered into a property management agreement with Access Results Management Services Inc. ("ARMS") in December 2020, which was renewed and now expires in December 2030. ARMS and the Company are related by having common members on its Board of Directors. The Company also receives invoices from ARMS and its related companies for construction, maintenance and other services related to the day-to-day operations, including accounting, financial, property and executive management.

For the three and six months ended June 30, 2026, the Company incurred property management fees and other rental and general operating expenses totalling $748,143 and $1,544,311, from ARMS and its related companies (three and six months ended June 30, 2025 – $888,376 and $1,703,151), of which $87,018 and $174,036 of key management personnel compensation was included in the table above (June 30, 2025– $87,018 and $174,036).

- For the three and six months ended June 30, 2026, construction costs of $125,758 and $282,388 incurred through ARMS and its related companies have been capitalized to investment properties (three and six months ended June 30, 2025 – $580,309 and $774,992).

- Amounts due to and from ARMS and its related companies at June 30, 2026 includes $658,625 in accounts payable and accrued liabilities (December 31, 2025 – $1,225,885) and $815,168 is included in accounts receivable (December 31, 2025 – $427,750).

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

During the year ended December 31, 2025, the Company transferred its investment property, located at 568 Second Street, to 760 Second St GP for consideration of $12,900,000 (Financial Statement note 6). The consideration was satisfied entirely through partnership units representing the Company's interest in the partnership, based on a stated value of $1 per unit. Parkit sold 50% of its interest in the partnership for $6,450,000 and the Company retains a 50% interest.

For the three and six months ended June 30, 2026, the Company earned $1,018,084 and $1,912,182 in investment properties revenues from leases with companies managed by two directors of the Company (three and six months ended June 30, 2025 – $1,160,139 and $1,889,458).

CONTRACTUAL OBLIGATIONS AND COMMMITMENTS

Pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, the Company has a commitment to contribute up to 5% of any capital call made by the OP Holdings joint venture. Capital calls will be made for the purpose of acquiring new parking real estate assets as jointly agreed by the members, and at other times as the joint venture may require working capital. OP Holdings is not in compliance with its borrowing covenants as of June 30, 2026, and is in the process of receiving a waiver (OP Holdings was in compliance as of December 31, 2025).

OP Holdings has greater than $1,700,000 USD (December 31, 2025 – $2,000,000 USD), in cash and no capital call has been made and no provision has been accrued by the Company with respect to this commitment (December 31, 2025 – $nil), the Company does not expect an additional contribution will be made.

As at June 30, 2026, the 760 Second St GP has received a construction loan facility with CMLS Financial for up to $92,860,086, secured by a first-ranking mortgage on the development, and insured by the Canada Mortgage and Housing Corporation ("CMHC"), to finance the construction of the development in London, Ontario. As at June 30, 2026, the 760 Second St GP has drawn $15,899,085 on the facility. The loan pays interest only during the construction term, to July 20, 2028, and bears interest at the Royal Bank of Canada prime rate less 45 bps. Following construction of the development, the construction financing shall be refinanced with a term facility for a term of five years with a 40 year amortization, and shall bear interest at the 5 year Canadian mortgage bond rate plus a spread to be determined by the lender at the time to a maximum of 3.65%, subject to certain debt service requirements. The loan is guaranteed by Parkit, Decade Capital and Southside Construction Management. The participation rights in the 760 Second St GP are represented by partnership units, with all distributions and returns dependent on the GP's performance. Certain decisions require unanimous consent of the partners, and the sale or transfer of partnership interests is subject to restrictions under the 760 Second Street Partnership Agreement.

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 and conflicts, 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 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 properties 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 are inherent to 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 rated debt and interest rate swaps to minimize the Company's exposure to fluctuations in interest rates on its current debt.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, long-term receivable, debt, accounts payable and accrued liabilities, and debt denominated in USD. A 1% fluctuation in the USD against the CAD would affect net income for the year by $72,000.

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. A 1% fluctuation in the market equity price would affect net income (loss) for the year by $558,000.