



PARKIT ENTERPRISE INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE
THREE AND SIX MONTH PERIODS ENDED APRIL 30, 2017

EXPRESSED IN CANADIAN DOLLARS

(UNAUDITED)

Notice of Non-review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the condensed consolidated interim financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

AS AT	April 30, 2017	October 31, 2016
ASSETS		
Current		
Cash	\$ 1,739,788	\$ 1,552,160
Accounts receivable (note 3)	632,371	314,893
Prepaid expenses and deposits	39,532	23,895
	2,411,691	1,890,948
Long-term investment (note 4)	1,455,736	1,554,295
Investment in associate (note 5)	1,068,424	2,985,393
Investment in joint ventures (note 6)	12,475,656	10,583,266
Equipment	-	14,554
	\$ 17,411,507	\$ 17,028,456
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 79,337	\$ 272,890
Equity (note 7)		
Share capital	22,785,248	22,785,248
Reserves	516,932	367,154
Deficit	(5,970,010)	(6,396,836)
	17,332,170	16,755,566
	\$ 17,411,507	\$ 17,028,456
Commitments and contingencies (notes 6 and 10)		

Approved and authorized by the Board on June 28, 2017:

 “Pesach Goldman” Director “Bryan Wallner” Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE	Three months ended April 30, 2017	Three months ended April 30, 2016 (note 2)	Six months ended April 30, 2017	Six months ended April 30, 2016 (note 2)
Fee income	\$ 66,235	\$ 70,718	\$ 132,353	\$ 143,862
Share of profit from associate (note 5)	327,550	370,289	426,686	533,325
Share of profit from joint ventures (note 6)	225,889	266,147	406,119	510,925
General and administrative (note 8)	(234,398)	(403,577)	(561,290)	(758,669)
Loss on disposal of office equipment	(12,054)	-	(12,054)	-
	373,222	303,577	391,814	429,443
Foreign exchange gain (loss)	164,716	(323,087)	68,914	(129,717)
Finance income	833	-	1,636	-
Income (Loss) before tax	538,771	(19,510)	462,364	299,726
Income tax expense	(1,008)	(4,792)	(35,538)	(12,800)
NET (LOSS) INCOME FOR THE PERIOD	\$ 537,763	\$ (24,302)	\$ 426,826	\$ 286,926
Income (Loss) per share:				
Basic	0.02	(0.00)	0.01	0.01
Diluted	0.02	(0.00)	0.01	0.01
Weighted average number of common shares outstanding:				
Basic	32,245,723	32,245,723	32,245,723	32,245,723
Diluted	32,370,723	32,245,723	32,300,322	32,245,723

The accompanying notes are an integral part of these condensed consolidated interim financial statements

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE	Three months ended April 30, 2017	Three months ended April 30, 2016 (note 2)	Six months ended April 30, 2017	Six months ended April 30, 2016 (note 2)
Net income (loss) for the period	\$ 537,736	\$ (24,302)	\$ 426,826	\$ 286,926
Exchange differences on translating foreign operations	-	(11,702)	-	(70,116)
Comprehensive income (loss)	\$ 537,736	\$ (36,004)	\$ 426,826	\$ 216,810

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE SIX MONTH PERIOD ENDED APRIL 30	2017	2016 (note 2)
OPERATING ACTIVITIES		
Net income for the period from operations	\$ 426,826	\$ 286,926
Items not affecting cash:		
Share of profit from associate	(426,686)	(533,325)
Share of profit in joint ventures	(406,119)	(510,925)
Depreciation	2,500	3,750
Share-based payments	149,778	87,830
Unrealized foreign exchange	(69,927)	-
Loss on disposal of office equipment	12,054	-
Changes in non-cash working capital items:		
Accounts receivable	(311,991)	(63,579)
Prepaid expenses and deposits	(15,637)	(7,120)
Accounts payable and accrued liabilities	(193,553)	(281,950)
Net cash used in operating activities	(832,755)	(1,018,393)
INVESTING ACTIVITIES		
Long-term receivable repayments	129,932	118,465
Distributions from 880 Doolittle joint venture	-	81,916
Distributions from associate (note 5)	2,343,655	1,967,083
Investment in PAVe joint venture (note 6)	(2,006,504)	(1,762,065)
Distributions from PAVe joint venture (note 6)	520,233	682,212
Net cash provided by investing activities	987,316	1,087,611
Change in cash during the period	154,561	69,218
Effect of exchange rate changes on cash	33,067	31,961
Cash, beginning of period	1,552,160	1,237,061
Cash, end of period	\$ 1,739,788	\$ 1,338,240

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	<u>Share capital</u>		Reserves	Deficit (note 2)	Accumulated other comprehensive income (loss) (note 2)	Total
	Number	Amount				
Balance, October 31, 2015	32,245,723	\$ 22,751,687	\$ 1,214,397	\$ (7,914,208)	\$ 333,022	\$ 16,384,898
Share-based payments	-	-	87,830	-	-	87,830
Cumulative translation adjustment	-	-	-	-	(70,116)	(70,116)
Net income for the period	-	-	-	286,926	-	286,926
Balance, April 30, 2016	32,245,723	\$ 22,751,687	\$ 1,302,227	\$ (7,627,282)	\$ 262,906	\$ 16,689,538
Expiration of warrants and stock options	-	33,561	(935,073)	901,512	-	-
Share of other comprehensive income of associate	-	-	-	-	(333,022)	(333,022)
Cumulative translation adjustment	-	-	-	-	70,116	70,116
Net income for the period	-	-	-	328,934	-	328,934
Balance, October 31, 2016	32,245,723	\$ 22,785,248	\$ 367,154	\$ (6,396,836)	\$ -	\$ 16,755,566
Share-based payments	-	-	149,778	-	-	149,778
Net income for the period	-	-	-	426,826	-	426,826
Balance, April 30, 2017	32,245,723	\$ 22,785,248	\$ 516,932	\$ (5,970,010)	\$ -	\$ 17,332,170

The accompanying notes are an integral part of these condensed consolidated interim financial statements

PARKIT ENTERPRISE INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

1. NATURE OF OPERATIONS

Parkit Enterprise Inc. (the “Company”) was incorporated pursuant to the *Business Corporations Act* (British Columbia) on December 6, 2006. The Company’s head office and principal address is 500 – 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8, its registered and records office is 2900 – 595 Burrard Street, Vancouver, British Columbia V7X 1J5. The Company, through its subsidiary Greenswitch America, Inc. holds investments in parking real estate in the United States of America.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation and Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company’s most recent annual consolidated financial statement, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended October 31, 2016, which were prepared in accordance with IFRS as issued by the IASB.

Certain balances in respect of the prior year three and six-month periods ended April 30, 2016, have been reclassified to conform with presentation of the current periods.

3. ACCOUNTS RECEIVABLE

The following balances were included in accounts receivable:

	April 30, 2017	October 31, 2016
Asset management fees	\$ 64,126	\$ 46,537
Contingent consideration earned and receivable (note 5)	340,995	-
Taxes receivable	-	54,952
Current portion of advances to Parking Real Estate LLC, (note 4)	227,250	213,404
Total	\$ 632,371	\$ 314,893

4. LONG TERM RECEIVABLE

	April 30, 2017	October 31, 2016
Advances to PRE	\$ 1,682,986	\$ 1,767,699
Less current portion (note 3)	(227,250)	(213,404)
Long term receivable	\$ 1,455,736	\$ 1,554,295

As at April 30, 2017, the Company has advanced \$1,682,986 (US\$1,231,874) to PRE, a joint venture partner, for the purpose of PRE funding investments in income producing properties and related costs of acquisition, of which \$371,434 (US\$271,874) is to be repaid from the assignment of certain distributions due to PRE and the balance of \$1,311,552 (US\$960,000) is to be repaid upon disposition of certain investments or parking assets.

During the six months ended April 30, 2017, the Company was repaid \$116,086 (US\$87,009). At April 30, 2017, the Company estimated the current portion receivable to be \$227,250 (US\$166,338).

PARKIT ENTERPRISE INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

5. INVESTMENT IN ASSOCIATE

Green Park Denver

The only significant asset retained in the associate is an earnings-based contingent receivable from OP Holdings. The associate has no continuing operations and is being maintained to receive the earn-out payments. The earn-out is payable in three tranches on achievement of targets on April 22, 2016 (earned and paid) and April 22, 2017 (earned), and then on the disposition of certain assets in OP Holdings. Pursuant to the members' agreement, the Company's interest in the first tranche was 47.7%, 40.6% in the second tranche and is 40.6% for the remaining tranche.

Carrying value of associate

The year to date activity for the Company's investment in associate is set out below:

Investment in Associate	
Balance – October 31, 2016	\$ 2,985,393
Share of profit from associate	426,686
Contingent consideration earned and distributable	(2,343,655)
Balance – April 30, 2017	\$ 1,068,424

Commitment

During the six-month period ended April 30, 2017, the maximum performance target was achieved in relation to \$2,343,655 (approximately US\$1,735,000) of contingent consideration, which then became due to the Company. In accordance with the OP Holdings joint venture and the PAVe LLC operating agreements, the Company contributed to PAVe LLC \$2,006,504 (approximately US\$1,485,500) of the consideration receivable, which includes an amount deemed to be an over contribution of \$486,854 (approximately US\$360,000) that is attributable toward to Company's obligation to fund 5% of any future funding requirements of OP Holdings (note 6).

The remaining contingent consideration balance of \$340,995 (approximately US\$249,500) is recorded in accounts receivable in the consolidated statements of financial positions, and is expected to be paid to the Company during the quarter ending July 31, 2017, upon completion of an audit of the performance target (note 3).

6. INVESTMENT IN JOINT VENTURES

The carrying amounts of the Company's investments in joint ventures at April 30, 2017 and October 31, 2016 were as follows:

	880 Doolittle		PAVe LLC		Total	
Balance – October 31, 2016	\$	-	\$	10,583,266	\$	10,583,266
Contributions				2,006,504		2,006,504
Distributions		-		(520,233)		(520,233)
Share of profits in joint ventures		-		406,119		406,119
Balance – April 30, 2017	\$	-	\$	12,475,656	\$	12,475,656

At the end of 2016, 880 Doolittle Dr., LLC, the former owner of Espresso Airport Parking which was acquired by OP Holdings, was dissolved.

PARKIT ENTERPRISE INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

6. INVESTMENT IN JOINT VENTURES (continued)

Commitments

The Company has a commitment to contribute 5% of any capital call made by the joint venture. Capital calls will be made for the purpose of acquiring new parking real estate assets as jointly agreed by the members, and at other times as the joint venture may require working capital. Management estimates this commitment to be US\$7.5 million over 5 years. Pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, upon earning the second earn-out contingent consideration, member contributions to OP Holdings in respect of any future capital commitments approximate US\$1,652,000, of which the Company was required to contribute US\$725,000.

In connection with the acquisition of Fly-Away Parking, Greenswitch America together with PAVe and two other parties (collectively the “Borrowers”) entered into a loan and security agreement pursuant to which the Borrowers received a bank loan in the principal amount of US\$5,460,000 as partial consideration for the acquisition (the “Loan”). In connection with the Loan, the Borrowers have each granted a security interest in all of their present and future assets and property including the property and assets of Fly-Away Parking. The loan bears interest at LIBOR plus 235 basis points and matures on October 30, 2020.

Summarized financial information of joint ventures

The functional currency of the joint ventures is the United States dollar.

The assets and liabilities of the joint ventures translated using the period end foreign exchange rates are summarized as follows:

AS AT	April 30, 2017			October 31, 2016		
	880 Doolittle	PAVe LLC	Total	880 Doolittle	PAVe LLC	Total
Cash and cash equivalents	\$ -	\$ 26,547	\$ 26,547	\$ -	\$ 323,396	\$ 323,396
Other current assets	-	76,507	76,507	-	-	-
Parking facility	-	7,607,126	7,607,126	-	7,584,342	7,584,342
Goodwill	-	2,924,892	2,924,892	-	2,881,260	2,881,260
Interest in associate	-	14,128,956	14,128,956	-	11,893,335	11,893,335
	-	24,764,028	24,764,028	-	22,682,333	22,682,333
Accounts payable	-	252,669	252,669	-	244,626	244,626
Long-term borrowing	-	8,675,359	8,675,359	-	8,684,955	8,684,955
	-	8,928,028	8,928,028	-	8,929,581	8,929,581
Net assets	\$ -	\$ 15,836,000	\$ 15,836,000	\$ -	\$ 13,752,752	\$ 13,752,752
Interest in net assets	50%	86%	86%	50%	83%	83%
Net assets attributable to the Company	\$ -	\$ 13,613,596	\$ 13,613,596	\$ -	\$ 11,478,444	\$ 11,478,444
Investment in joint ventures – carrying value at historical cost	\$ -	\$ 12,475,656	\$ 12,475,656	\$ -	\$ 10,583,266	\$ 10,583,266

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

6. INVESTMENT IN JOINT VENTURES (continued)

Summarized financial information of joint ventures (cont'd)

The operations of the joint ventures for the three months ended April 30, 2017 and 2016 translated using average exchange rates for the period are summarized as follows:

FOR THE	Three months ended April 30, 2017			Three months ended April 30, 2016		
	880 Doolittle	PAVe LLC	Total	880 Doolittle	PAVe LLC	Total
Property revenue	\$ -	\$ 683,287	\$ 683,287	\$ -	\$ 645,807	\$ 645,807
Property expenses	-	(597,613)	(597,613)	-	(510,229)	(510,229)
Net property income	-	85,674	85,674	-	135,578	135,578
Depreciation Expense	-	(66,208)	(66,208)	-	(64,062)	(64,062)
Mortgage interest expense	-	(73,036)	(73,036)	-	(69,765)	(69,765)
Income – property operations	-	(53,570)	(53,570)	-	1,751	1,751
Profit from associate	-	284,466	284,466	-	326,421	326,421
General and administrative	-	(17)	(17)	1,438	(18,735)	(17,297)
Taxation	-	-	-	-	(17,952)	(17,952)
Profit (loss)	\$ -	\$ 230,879	\$ 230,879	\$ 1,438	\$ 291,485	\$ 292,923
Company share of profit	50% ⁽¹⁾	98% ⁽²⁾	98%⁽²⁾	50% ⁽¹⁾	91% ⁽²⁾	91%
Share of profit from joint ventures	\$ -	\$ 225,889	\$ 225,889	\$ 719	\$ 265,428	\$ 266,147

(1) The Company was entitled to profit distributions on the investments included in the joint venture ranging from 50% to 100%.

(2) The Company is entitled to profit distributions on the investments included in the joint venture ranging from 50% to 88.8%.

The operations of the joint ventures for the six months ended April 30, 2017 and 2016 translated using average exchange rates for the period are summarized as follows:

FOR THE	Six months ended April 30, 2017			Six months ended April 30, 2016		
	880 Doolittle	PAVe LLC	Total	880 Doolittle	PAVe LLC	Total
Property revenue	\$ -	\$ 1,312,821	\$ 1,312,821	\$ -	\$ 1,260,655	\$ 1,260,655
Property expenses	-	(1,218,966)	(1,218,966)	(30,579)	(1,025,373)	(1,055,952)
Net property income	-	93,855	93,855	(30,579)	235,282	204,703
Depreciation Expense	-	(132,414)	(132,414)	-	(134,051)	(134,051)
Mortgage interest expense	-	(145,022)	(145,022)	-	(142,395)	(142,395)
Income – property operations	-	(183,581)	(183,581)	(30,579)	(41,164)	(71,743)
Profit from associate	-	570,053	570,053	-	650,654	650,654
General and administrative	-	(2,626)	(2,626)	1,438	(18,735)	(17,297)
Taxation	-	-	-	-	(17,952)	(17,952)
Profit (loss)	\$ -	\$ 383,846	\$ 383,846	\$ (29,141)	\$ 572,803	\$ 543,662
Company share of profit	50% ⁽¹⁾	106% ⁽²⁾	106%⁽²⁾	50% ⁽¹⁾	92% ⁽²⁾	94%
Share of profit from joint ventures	\$ -	\$ 406,119	\$ 406,119	\$ (14,570)	\$ 525,495	\$ 510,925

(1) The Company was entitled to profit distributions on the investments included in the joint venture ranging from 50% to 100%.

(2) The Company is entitled to profit distributions on the investments included in the joint venture ranging from 50% to 88.8%.

PARKIT ENTERPRISE INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

7. EQUITY

- a) **Authorized:** Unlimited common shares, without par value.

There were no transactions for the period ended April 30, 2017 (note 9).

b) **Stock Options**

On January 9, 2017, the Company granted 750,000 incentive stock options to directors, officers and a consultant of the Company. Each option vested on the grant date and permits the grantee to acquire one common share in the Company at a price of \$0.30 per share and expires five years after the date of grant, on January 9, 2022. The value of the options was recorded as stock based compensation expense of \$149,778. The value was obtained using the Black-Scholes valuation model with the following assumptions: volatility of 85%, discount rate of 1.01%, expected life of 5 years, dividend yield of 0%, and expected forfeiture rate of 0%.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at October 31, 2016	1,245,000	0.50
Granted	750,000	0.30
Balance as at April 30, 2017	1,995,000	\$ 0.42

As at April 30, 2017, the following stock options were outstanding and exercisable:

Exercise Price	Number of options outstanding and exercisable	Weighted average years to expiry
\$0.30 to \$0.50	1,995,000	3.11

8. GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE	Three months ended April 30, 2017	Three months ended April 30, 2016	Six months ended April 30, 2017	Six months ended April 30, 2016
Management salaries and fees (note 9)	\$ 67,125	\$ 167,176	\$ 122,449	\$ 347,857
Director fees (note 9)	18,256	31,500	36,942	63,000
Share-based payments (note 9)	-	87,830	149,778	87,830
Professional fees	96,794	37,168	155,514	87,319
Other administrative expenses	52,223	79,903	96,607	172,663
Total	\$ 234,398	\$ 403,577	\$ 561,290	\$ 758,669

PARKIT ENTERPRISE INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

9. RELATED PARTY TRANSACTIONS

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.

	Six months ended April 30, 2017	Six months ended April 30, 2016
Total for all senior management		
Short-term benefits	\$ 134,850	\$ 360,457
Share based payments	109,837	37,641
	244,687	398,098
Total for all directors		
Short-term benefits	38,650	63,000
Share based payments	29,956	50,189
	68,606	113,189
Total	\$ 313,293	\$ 511,287

The following balances were owing to directors and senior management:

	April 30, 2017	October 31, 2016
Short Term benefits	\$ 34,125	\$ 47,125
Expenses	99	-
Total	\$ 34,224	\$ 47,125

As at October 31, 2016, the Company accrued an amount owing to a director of the Company for services provided valued at \$47,125. During the three-month period ended January 31, 2017, the director was paid cash of \$25,000, with the balance to be settled in shares of the Company. Subsequent to the period end, the Company obtained the approval of the TSX Venture Exchange, and on May 24, 2017 issued to the director 65,073 shares in the Company, having a deemed value of \$22,125 based on the Company's closing share price on March 6, 2017 of \$0.34. The value of the services settled by the issue of shares is included in accounts payable and accrued liabilities as at April 30, 2017.

10. CONTINGENCIES

On August 12, 2016, the Company terminated the employment of its former Chief Executive Officer without notice and without payment of any compensation in lieu of notice.

On December 6, 2016, counsel for the former Chief Executive Officer made a demand for compensation, which was rejected by the Company. The Company believed, and it continues to believe, that it has no liability to have given any notice or to pay any severance to the Chief Executive Officer. The Company is unable to predict the outcome or potential liability, if any, arising from the termination of the former Chief Executive Officer at this time and no amount has been accrued in the financial statements.