

# IRONWOOD FUND II



**FIRST  
QUARTER  
REPORT  
2025**

Presented to:  
the Limited Partners  
of the Ironwood Fund II  
Limited Partnership



## UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

We are pleased to provide the first quarter report of the Ironwood Fund Limited Partnership II (the "Fund"). Our plan is to provide reports four times per year. Reporting will include an overview for each period, a summary of activity at each individual property, leasing update, and internal financial statements. At year end, externally prepared financial statements, and a comprehensive summary and reporting of annual returns will be detailed.

### **Acquisition**

In Q1, the Fund acquired 849 Shefford Road, Ottawa, ON. This single-storey tenant flex retail / industrial property is located near Montreal Road and Highway 417. The building is 7,990 square feet on one acre of land and is leased on a long-term basis to VCA Canada, an operator of over 1,000 animal hospitals in the US and Canada.

### **Leasing**

During the acquisition period of 849 Shefford Road, we successfully negotiated a five-year lease extension with the existing tenant, VCA Canada, whom we had an existing relationship. This lease extension added value to the property by increasing the remaining lease term from 4.75 years to 9.75 years, and included annual rental rate increases of 2% per year.

### **Capital Deployment and Acquisition**

The Fund completed its first fundraising closing, raising \$16.27 million, with \$5.18 million deployed toward the existing portfolio of three properties. Additional capital will be raised in the future and added to the overall funds available for deployment.

We expect to continue to deploy capital in 2025. We currently have a property under contract which, subject to successful due diligence, is expected to close in Q3 2025.

### **Debt**

The Fund's objective is to maintain a combination of short, medium, and long-term debt at a loan-to-value ratio of 65%. The current debt to market value is 64.70%, with a weighted average interest rate of 4.93%

### **Distributions**

We will be making a distribution of \$51,000 at this time. Currently, we expect distributions to continue as projected in the annual report. At year end, a comprehensive summary, including the reporting of annual returns will be presented in detail.

We will provide a brief update for each property in the Fund in the following pages.

Regards,

Ken and Christian Jennings  
Directors of the General Partner



## FUND OVERVIEW

### Ironwood Fund II Overview

Ironwood Fund II is a core income fund, focused on acquiring well-located income producing industrial, retail and related business park properties. The Fund will seek to acquire under-managed, below replacement cost facilities, in the National Capital Region and Halifax, and create value through effective management/operations.

The objectives of the Fund are:

- i. Preserve Capital: Acquire properties below replacement cost with moderate leverage;
- ii. Maximize Cash Flow: Properties generate strong cash flows and support distribution to investors
- iii. Create Value: Implement and manage value add strategies, and operating improvements to achieve increased values.

The Fund is managed and operated by Jennings Real Estate Corporation, a vertically integrated, full-service real estate management company.



## PORTFOLIO UPDATE

### 40 Pettipas Drive, Halifax

On August 9, 2024 the Fund acquired 40 Pettipas Drive in Halifax, Nova Scotia. This 20,639 square foot industrial building is on a 4.26 acre lot in the Burnside Business Park. The Burnside Business Park is the largest industrial Park north of Boston and east of Montreal, with almost 2,000 businesses and approximately 30,000 employees.

The property is located within 15 minutes travel time to downtown Halifax, the Halifax International Airport, and the Port of Halifax. The property is also serviced by the CN Railway mainline and includes an active rail spur off the rail line to the property.

The property is leased on a long-term basis to Brenntag Canada, a subsidiary of Brenntag SE, a global market leader in chemicals and ingredients distributions. This publicly listed company has over 17,500 employees worldwide and operate a network of 600 sites in 72 countries.



40 Pettipas Drive



## PORTFOLIO UPDATE

### 10 Mosher Drive, Halifax

On October 28, 2024, the Fund acquired 10 Mosher Drive in Halifax, Nova Scotia. Constructed in 1977, this industrial building features 60 surface parking stalls, and a 29,066 square foot building, on 1.95 acres of land. The property is located in the Burnside Business Park featuring 15 minutes travel time to downtown Halifax, the Halifax International Airport, and the Port of Halifax.

The property is leased on a long-term basis to Babcock and Wilcox, a company founded in 1867, and provides energy and emissions control solutions to a range of industrial, electrical utility, municipal, and other customers worldwide. Babcock and Wilcox is publicly-traded on the New York Stock Exchange.



10 Mosher Drive



## PORTFOLIO UPDATE

### 849 Shefford Road, Ottawa

On February 21, 2025, the Fund acquired 849 Shefford Road, in Ottawa, ON. This 7,990 square foot flex industrial / retail building is situated on one acre of land, with 35 parking stalls. The property is located 600 meters from Highway 417, and is a 10 minute drive to Downtown Ottawa.

The property is leased on a long-term basis to VCA Canada, who operates more than 1,000 animal hospitals in the US and Canada.



849 Shefford Road



849 Shefford Road



## CAPITAL EXPENDITURE UPDATE

### 40 Pettipas Drive

- No major capital expenditure items occurred during this period.

### 10 Mosher Drive

- No major capital expenditure items occurred during this period.

### 849 Shefford Road

- No major capital expenditure items occurred during this period.



## LEASING UPDATE

During the acquisition period of 849 Shefford Road, we successfully negotiated a five-year lease extension with the existing tenant, VCA Canada, whom we had an existing relationship. This lease extension added value to the property by increasing the remaining lease term from 4.75 years to 9.75 years, and included annual rental rate increases of 2% per year.

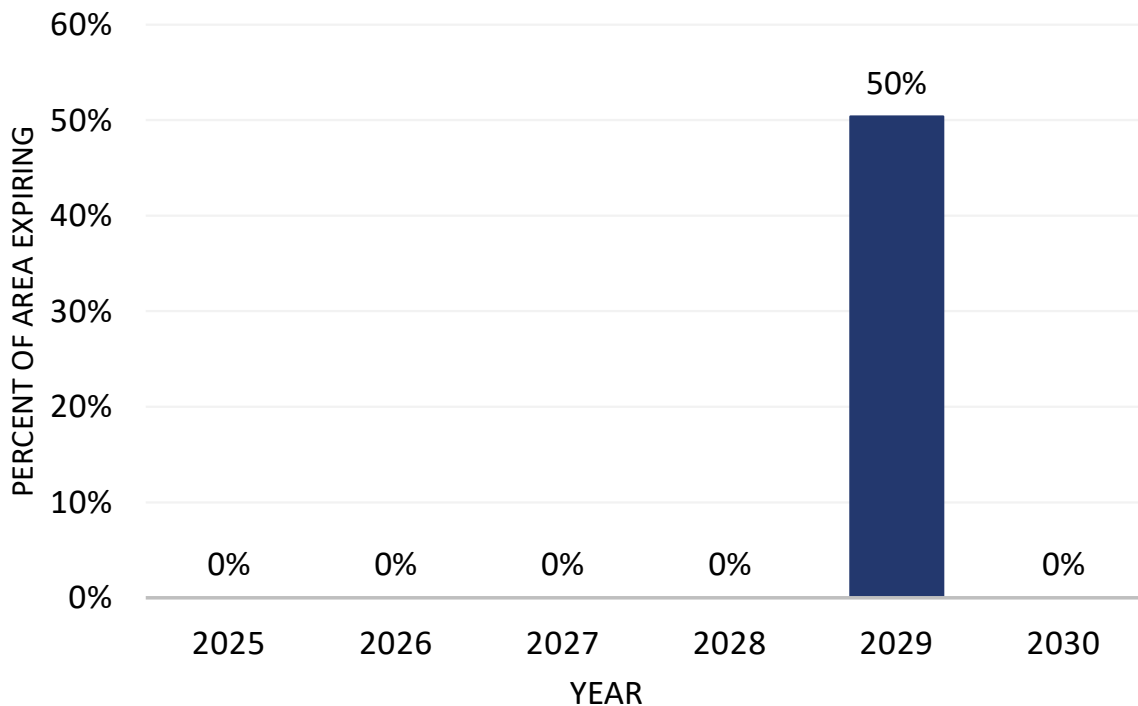
After completion of the extension, the Fund's portfolio had the following statistics:

- **Occupancy:** 100%
- **Weighted Average Lease Term:** 5.81 Years
- **Weighted Average Rent:** \$17.00 per square foot



## LEASE EXPIRY PROFILE

The chart below illustrates the upcoming lease expirations within the Fund's portfolio, broken down as a percentage of the GLA, for the next five years:



## PORTFOLIO STATISTICS

Portfolio Statistics (as of March 31, 2025)

	Q1 2025
<b>Portfolio Information</b>	
Number of Properties	3
Gross Leasable Area	57,695
Leased as of March 31 2025	100%
# of Tenants	3
<b>Financial Information</b>	
Total Value	\$14.08 million*
Total Debt	\$9.11 million
Debt/Value	64.70%

\* Over the past twelve (12) months, the Fund received independent external for all investment properties. Such appraisals valued the Fund's portfolio. Note that these figures do not incorporate any tax attributes of the units.

Property	Location	Leasable Area (SF)	Leased	Key Tenants
40 Pettipas Dr	Halifax	20,639	100%	Brenntag Canada
10 Mosher Drive	Halifax	29,066	100%	Babcock and Wilcox
849 Shefford Rd	Ottawa	7,990	100%	VCA Animal Hospitals
<b>Total</b>		<b>57,695</b>	<b>100%</b>	



## FINANCIAL STATEMENTS

\*Please find the enclosed Financial Statements

\*Disclaimer. These financial statements are interim, internally prepared and for management purposes. We do not express an opinion or any other form of assurance on them. This report is for management only. It is not intended for distribution or consideration for credit purposes.



Ironwood Fund 2 Limited Partnership (.iwf2)

## Income Statement

Period = Mar 2025

Book = Accrual ; Tree = property pnl

	Year to date 03/2025	Year to date 03/2024
<b>Revenues</b>		
Rental income	264,424	0
Other income	0	0
<b>Total revenues</b>	<b>264,424</b>	<b>0</b>
<b>Operating expenses</b>		
Amortization	104,646	0
Interest on long-term debt	97,382	0
Property taxes	21,176	0
Repairs and maintenance	2,141	0
General and administrative	1,427	0
Property management	4,076	0
Professional fees	7,634	0
Insurance	3,982	0
Bank charges and interest	468	0
<b>Total operating expenses</b>	<b>242,932</b>	<b>0</b>
<b>Net income (loss)</b>	<b>21,491</b>	<b>0</b>

Ironwood Fund 2 Limited Partnership (.iwf2)

**Balance Sheet**

Period = Mar 2025

Book = Accrual ; Tree = property b/s

	As at 03/2025	As at 12/2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash	682,583	871,450
Accounts receivable	25,066	17,245
Sales tax receivable	18,373	0
Prepaid expenses	60,178	5,375
<b>Total Current Assets</b>	<b>786,200</b>	<b>894,070</b>
<b>Long-Term Assets</b>		
Rental properties	13,590,327	11,004,411
Deferred leasing costs	84,623	0
<b>Total Long-Term Assets</b>	<b>13,674,950</b>	<b>11,004,411</b>
<b>Total Assets</b>	<b>14,461,149</b>	<b>11,898,481</b>
<b>Liabilities &amp; Partner's Equity</b>		
<b>Current Liabilities</b>		
Accounts payable & accrued liabilities	194,007	102,025
Prepaid rents	50,762	34,819
Payable to related parties	290	2,136
Government remittances	17,491	4,591
Current portion of long-term debt	196,832	155,104
<b>Total Current Liabilities</b>	<b>459,382</b>	<b>298,675</b>
<b>Long-Term Liabilities</b>		
Mortgages payable	8,910,256	7,290,836
<b>Total Long-Term Liabilities</b>	<b>8,910,256</b>	<b>7,290,836</b>
<b>Total Liabilities</b>	<b>9,369,638</b>	<b>7,589,512</b>
<b>Partner's Equity</b>		
Partner contributions	5,184,776	4,384,776
Partner distributions	-97,960	-59,010
Partner share of accumulated earnings (deficit)	-16,796	0
Current period earnings (loss)	21,491	-16,796
<b>Total Equity</b>	<b>5,091,511</b>	<b>4,308,970</b>
<b>Total Liabilities &amp; Partner's Equity</b>	<b>14,461,149</b>	<b>11,898,481</b>