

IRONWOOD FUND II



SECOND 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 our second 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.

Recent Acquisition

On June 30, 2025 the Fund acquired 474 Hazeldean Road, Ottawa, ON. This 28,629 square feet, fully leased, multi-tenant retail property is located a fast-growing suburb of Ottawa, at the corner of two main thoroughfares: Hazeldean Road, and Castlefrank Road. It includes a multi-tenant strip mall, and a free-standing drive thru situated on 2.75 acres of land.

Capital Deployment and Acquisition

The Fund completed its first fundraising closing, raising \$16.27 million, with \$7.04 million deployed toward the existing portfolio of four properties.

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 Q4 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 62.54%, with a weighted average interest rate of 5.11%

Distributions

A distribution of \$62,500 will be made at this time, an increase from the \$51,000 projected in the annual report. The increase reflects the positive cash flow generated from existing properties. We currently expect future distributions to exceed the projection in the annual report, supported by the additional acquisition of 474 Hazeldean Road.

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 Ottawa, ON and Halifax, NS, creating value through effective management and 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; and
- 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, which is a global market leader in chemicals and ingredients distributions. This publicly listed company has over 17,500 employees worldwide and operates 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. Like 40 Pettipas, this property is located in the Burnside Business Park.

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

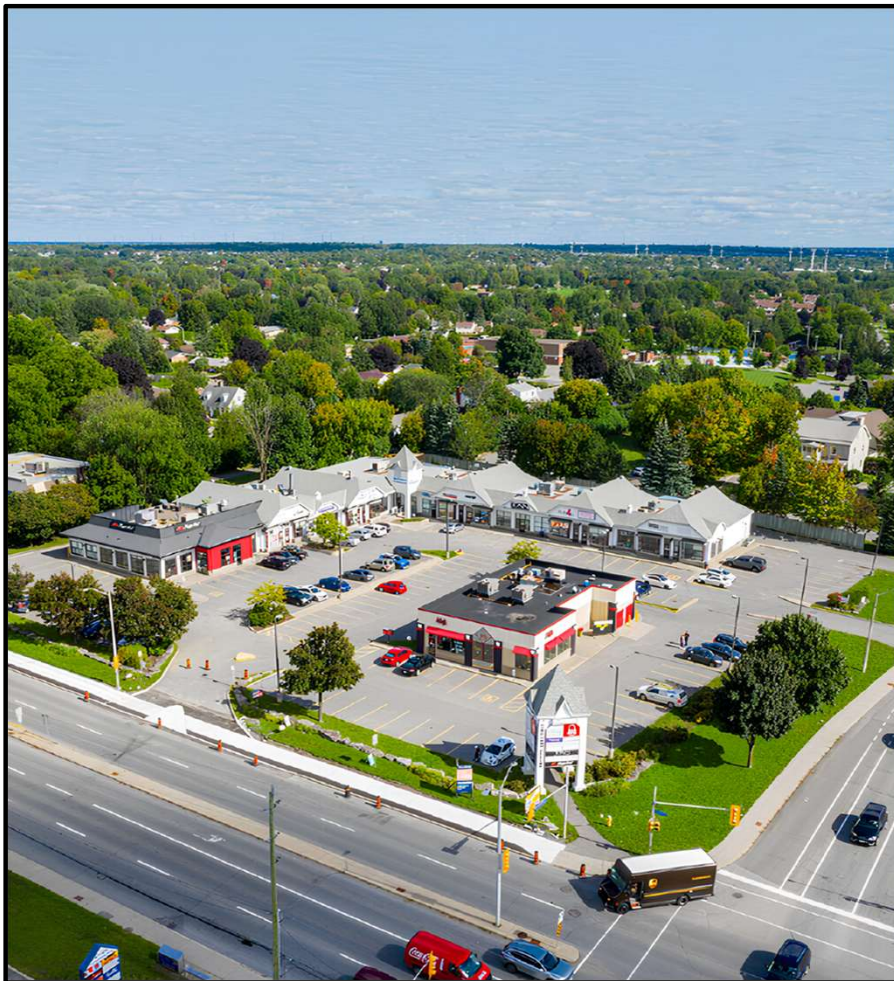


PORTFOLIO UPDATE

474 Hazeldean Road, Ottawa

On June 30, 2025, the Fund acquired 474 Hazeldean Road, in Ottawa, ON. This 28,629 square feet, fully leased, multi-tenant retail property is located in a fast-growing suburb of Ottawa, at the corner of two main thoroughfares: Hazeldean Road, and Castlefrank Road.

The property includes a multi-tenant strip mall with 15 tenants, comprising national, regional, and local brands, along with a free-standing drive thru, all situated on 2.75 acres of land.



474 Hazeldean 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.

474 Hazeldean Road

- No major capital expenditure items occurred during this period.



LEASING

During the quarter, no new lease transactions were completed.

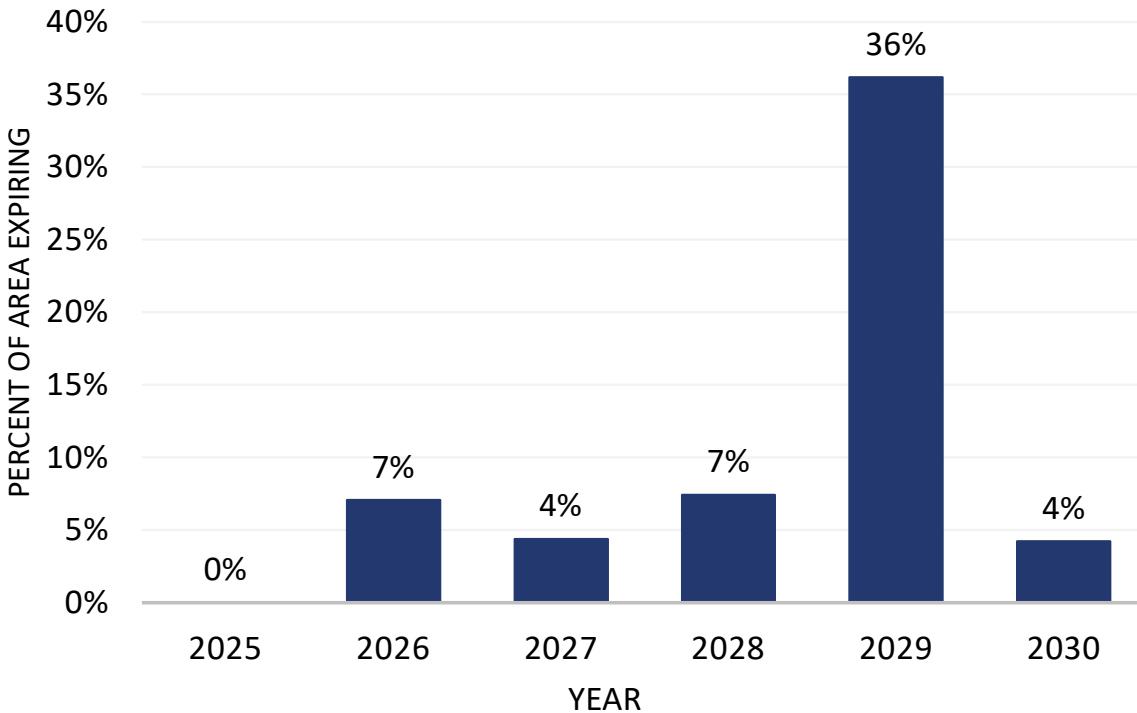
After completion of the acquisition of 474 Hazeldean Road the Fund's portfolio had the following statistics:

Occupancy:	100%
Weighted Average Lease Term:	5.87 Years
Weighted Average Rent:	\$19.25 PSF



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. Note that 42% of the Fund's portfolio has lease expirations beyond 2030.



PORTFOLIO STATISTICS

Portfolio Statistics (as of June 30, 2025)

	Q2 2025
Portfolio Information	
Number of Properties	4
Gross Leasable Area	85,824
Leased as of June 30, 2025	100%
# of Tenants	19
Financial Information	
Total Value	\$26.08 million*
Total Debt	\$16.31 million
Debt/Value	62.54%

* Over the past twelve (12) months, the Fund received independent external for all investment properties. Such appraisals value 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
474 Hazeldean	Ottawa	28,129	100%	Arby's, Pizza Hut, Indian Supermarket
Total		85,824	100%	



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.



* Amounts in cad

Ironwood Fund 2 Limited Partnership (.iwf2)

Income Statement - Current year to date vs prior year

Period = Jun 2025

Book = Accrual ; Tree = property pnl

	Year to date	Year to date
	06/2025	06/2024
Revenues		
Rental income	552,293	29,642
Total revenues	552,293	29,642
Operating expenses		
Amortization	228,334	9,698
Interest on long-term debt	217,812	0
Property taxes	52,974	5,049
Repairs and maintenance	4,282	0
General and administrative	2,855	0
Property management	8,151	0
Professional fees	23,636	433
Insurance	8,408	1,075
Bank charges and interest	3,137	5,374
Total operating expenses	549,589	21,629
Net income (loss)	2,704	8,013

Ironwood Fund 2 Limited Partnership (.iwf2)

Balance Sheet - Current month end vs prior year end

Period = Jun 2025

Book = Accrual ; Tree = property b/s

	As at 06/2025	As at 12/2024
Assets		
Current Assets		
Cash	879,407	871,450
Accounts receivable	26,293	17,245
Sales tax receivable	19,441	0
Prepaid expenses	101,620	5,375
Total Current Assets	1,026,762	894,070
Long-Term Assets		
Rental properties	19,418,536	11,004,411
Deferred leasing costs	84,623	0
Total Long-Term Assets	19,503,159	11,004,411
Total Assets	20,529,921	11,898,481
Liabilities & Partner's Equity		
Current Liabilities		
Accounts payable & accrued liabilities	238,534	102,025
Prepaid rents	105,475	34,819
Payable to related parties	3,293	2,136
Government remittances	13,404	4,591
Current portion of long-term debt	707,501	155,104
Total Current Liabilities	1,068,207	298,675
Long-Term Liabilities		
Mortgages payable	12,521,496	7,290,836
Tenant deposits	45,059	0
Total Long-Term Liabilities	12,566,554	7,290,836
Total Liabilities	13,634,761	7,589,512
Partner's Equity		
Partner contributions	7,058,213	4,384,776
Partner distributions	-148,961	-59,010
Partner share of accumulated earnings (deficit)	-16,796	0
Current period earnings (loss)	2,704	-16,796
Total Equity	6,895,160	4,308,970
Total Liabilities & Partner's Equity	20,529,921	11,898,481