

IRONWOOD FUND II



THIRD QUARTER REPORT 2025

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



JENNINGS
REAL ESTATE

UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

We are pleased to provide the Third Quarter Report for the Ironwood Fund Limited Partnership II (the “Fund”).

Recent Acquisition

On October 3, 2025, the Fund acquired 2194 Carling Avenue in Ottawa. This 8,322 square foot, fully leased, multi-tenant retail property is located along the Carling Avenue commercial corridor at the corner of Carling Avenue and Fairlawn Avenue. It includes a multi-tenanted retail building situated on 0.55 acres of land.

For the purpose of this report, this property has been included in the portfolio overview and associated metrics.

Leasing

During the acquisition period of 2194 Carling Avenue, we successfully negotiated a five-year lease extension with Sleep Country Canada, the Property’s anchor tenant. The lease, previously set to expire in November 2026, has been extended to November 2031 and includes an increase in base rent over the extension term. Sleep Country occupies approximately 60% of the Property’s Gross Leasable Area (“GLA”).

Capital Deployment and Acquisitions

The Fund completed its first fundraising closing, raising \$16.27 million. Of this amount, \$9.06 million has been deployed toward the existing portfolio of five properties, up from \$7.04 million deployed in Q2.

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 61.77%, with a weighted average interest rate of 5.03%

Distributions

A distribution of \$62,500 will be made at this time, representing an increase from the \$51,000 projected in the annual report. This increase is driven by strong cash flow across the existing portfolio, supported by the recent acquisition of 2194 Carling Avenue, a fully leased retail property with stable tenancies and consistent income.

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 OVERVIEW

40 Pettipas Drive, Halifax

40 Pettipas Drive, located in Dartmouth, Nova Scotia, is a 20,639-square-foot industrial facility situated on a 4.26-acre site within the Burnside Business Park. Burnside is the largest industrial park north of Boston and east of Montreal, with nearly 2,000 businesses and approximately 30,000 employees.

The property offers excellent transportation connectivity, with downtown Halifax, the Halifax Stanfield International Airport, and the Port of Halifax all reachable within 15 minutes. In addition, the site is serviced by the CN Railway mainline and includes an active rail spur providing direct rail access to the building.

The property is fully leased on a long-term basis to Brenntag Canada, a subsidiary of Brenntag SE, a global leader in chemical and ingredient distribution. Brenntag SE is publicly listed, operates more than 600 facilities across 72 countries, and employs over 17,500 people worldwide.



40 Pettipas Drive



PORTFOLIO OVERVIEW

10 Mosher Drive, Halifax

10 Mosher Drive, located in Dartmouth, Nova Scotia, is a 29,066-square-foot industrial facility situated on a 1.95-acre site with 60 surface parking stalls. Constructed in 1977, the property is located within the Burnside Business Park, the largest industrial park north of Boston and east of Montreal and home to nearly 2,000 businesses and approximately 30,000 employees.

The property offers excellent transportation connectivity, with downtown Halifax, the Halifax Stanfield International Airport, and the Port of Halifax all reachable within 15 minutes

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



10 Mosher Drive



PORTFOLIO OVERVIEW

849 Shefford Road, Ottawa

849 Shefford Road, located in Ottawa, Ontario, is a 7,990-square-foot flex industrial/retail building situated on a 1-acre site with 35 surface parking stalls.

The Property benefits from excellent accessibility, located approximately 600 meters from Highway 417 and less than a 10-minute drive to downtown Ottawa. The Property is also in proximity to the future Montreal Road LRT station which is expected to be open in late 2025.

The Property is leased on a long-term basis to VCA Canada, which operates more than 1,000 animal hospitals across the United States and Canada.



849 Shefford Road



849 Shefford Road



PORTFOLIO OVERVIEW

474 Hazeldean Road, Ottawa

474 Hazeldean Road, located in Ottawa, Ontario, is a 28,629-square-foot fully leased multi-tenant retail property situated on 2.75 acres at the high-visibility intersection of Hazeldean Road and Castlefrank Road in a rapidly growing suburban node of Ottawa.

The Property consists of a multi-tenant retail plaza with 15 tenants, including a mix of national, regional, and local retailers, as well as a free-standing drive-thru pad building.



474 Hazeldean Road



PORTFOLIO OVERVIEW – NEW ACQUISITION

2194 Carling Avenue, Ottawa

On October 3, 2025, the Fund acquired 2194 Carling Avenue in Ottawa, Ontario.

This Property consists of an 8,322-square-foot, fully leased multi-tenant retail building located along the Carling Avenue commercial corridor, a highly visible and established retail node in Ottawa.

The intersection where the Property is located recorded an annual average daily traffic count (“AADT”) of 42,964 vehicles in 2023.

The Property is situated on approximately 0.55 acres, with a weighted average base rent of \$35.92 per square foot and a weighted average lease term (“WALT”) of 4.5 years.



2194 Carling Avenue



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

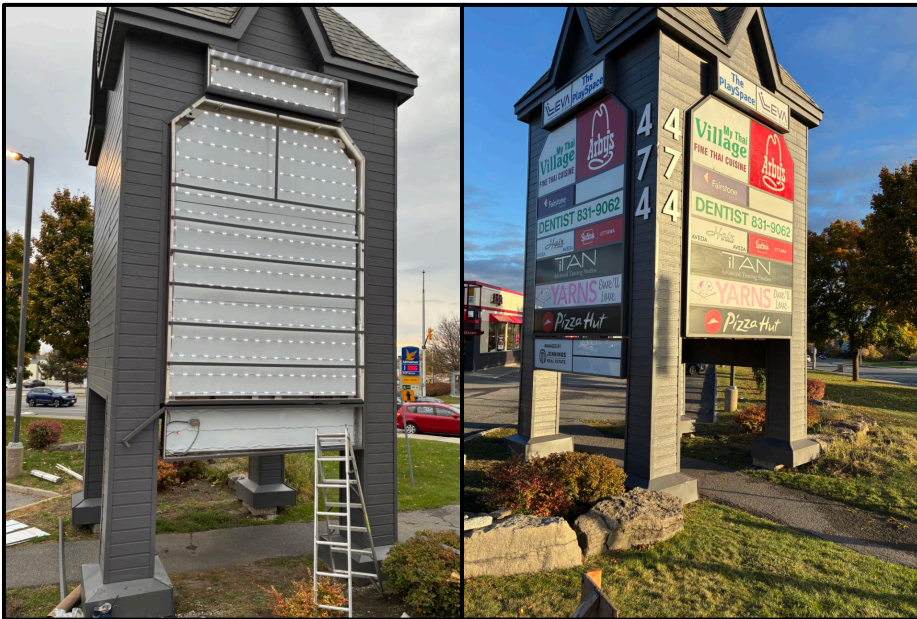
- No major capital expenditure items occurred during this period.

474 Hazeldean Road

- Work was completed to upgrade the existing pylon sign at the site, enhancing curb appeal and improving visibility for the retail tenants.

2194 Carling Avenue

- No major capital expenditure items occurred during this period.



Pylon sign – 474 Hazeldean



LEASING

During the quarter, a 5-year lease extension was completed with Sleep Country Canada at 2194 Carling Avenue.

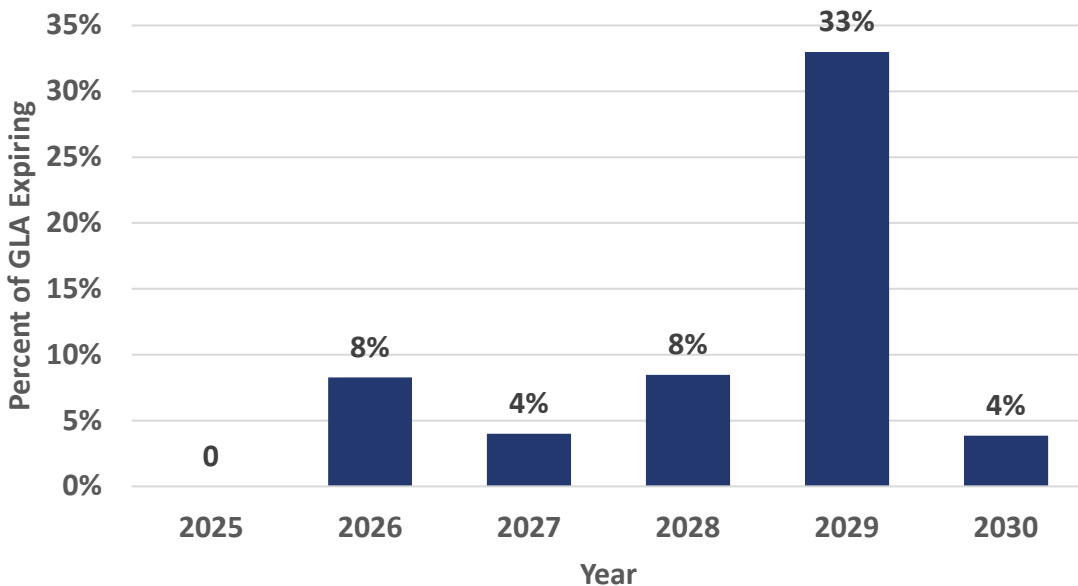
After completion of the acquisition of 2194 Carling Avenue the Fund's portfolio had the following statistics:

Occupancy:	100%
Weighted Average Lease Term:	5.51 Years
Weighted Average Rent:	\$20.78 PSF



LEASE EXPIRY PROFILE

The chart below illustrates the upcoming lease expirations within the Fund's portfolio, broken down as a percentage of the Gross Leasable Area ("GLA"), for the next five years. Note that 43% of the Fund's portfolio has lease expirations beyond 2030.



PORTFOLIO STATISTICS

Portfolio Statistics (as of September 30, 2025)

	Q3 2025
Portfolio Information	
Number of Properties	5
Gross Leasable Area (SF)	94,146
Leased as of June 30, 2025	100%
# of Tenants	22
Financial Information	
Total Value	\$30.88 million*
Total Debt	\$19.07 million
Debt/Value	61.77%

* Over the past twelve (12) months, the Fund received independent external appraisals 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)	Asset Class	Leased	Key Tenants
40 Pettipas Dr	Halifax	20,639	Industrial	100%	Brenntag Canada
10 Mosher Dr	Halifax	29,066	Industrial	100%	Babcock and Wilcox
849 Shefford Rd	Ottawa	7,990	Industrial	100%	VCA Animal Hospitals
474 Hazeldean Rd	Ottawa	28,129	Retail	100%	Arby's, Pizza Hut, Indian Supermarket
2194 Carling Ave	Ottawa	8,332	Retail	100%	Sleep Country Canada
Total		94,156 SF		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.



Ironwood Fund 2 Limited Partnership (.iwf2)

Income Statement - Current year to date vs prior year

Period = Sep 2025

Book = Accrual ; Tree = property pnl

	Year to date 09/2025	Year to date 09/2024
Revenues		
Rental income	986,565	167,047
Interest income	1,211	0
Other income	1,268	0
Total revenues	989,044	167,047
Operating expenses		
Amortization	397,886	62,395
Interest on long-term debt	385,055	61,008
Property taxes	117,573	27,108
Repairs and maintenance	17,833	2,079
Utilities	5,602	0
General and administrative	13,803	2,982
Property management	15,910	3,957
Professional fees	29,551	1,071
Insurance	14,679	4,300
Bad debts	0	0
Bank charges and interest	4,070	6,450
Travel	683	0
Total operating expenses	1,002,646	171,350
Net income (loss)	-13,601	-4,303

Ironwood Fund 2 Limited Partnership (.iwf2)

Balance Sheet - Current month end vs prior year end

Period = Sep 2025

Book = Accrual ; Tree = property b/s

	As at 09/2025	As at 12/2024
Assets		
Current Assets		
Cash	2,366,799	871,450
Accounts receivable	7,212	17,245
Sales tax receivable	22,820	0
Prepaid expenses	509,195	5,375
Total Current Assets	2,906,026	894,070
Long-Term Assets		
Rental properties	19,253,311	11,004,411
Assets under construction	4,093	0
Deferred leasing costs	84,623	0
Total Long-Term Assets	19,342,027	11,004,411
Total Assets	22,248,054	11,898,481
Liabilities & Partner's Equity		
Current Liabilities		
Accounts payable & accrued liabilities	98,928	102,025
Prepaid rents	54,822	34,819
Payable to related parties	0	2,136
Government remittances	52,263	4,591
Current portion of long-term debt	709,694	155,104
Total Current Liabilities	915,707	298,675
Long-Term Liabilities		
Mortgages payable	12,470,933	7,290,836
Tenant deposits	45,059	0
Total Long-Term Liabilities	12,515,992	7,290,836
Total Liabilities	13,431,699	7,589,512
Partner's Equity		
Partner contributions	9,058,213	4,384,776
Partner distributions	-211,461	-59,010
Partner share of accumulated earnings (deficit)	-16,796	0
Current period earnings (loss)	-13,601	-16,796
Total Equity	8,816,355	4,308,970
Total Liabilities & Partner's Equity	22,248,054	11,898,481