MMI GROUP
ASSET MANAGEMENT








# MCARA DBM INDUSTRIAL PORTFOLIO

REGINA, SK: 1680 MCARA AVE. & 1681 MCDONALD ST. | DBM PORTFOLIO: SUSSEX, NB; SUDBURY, ON; REGINA, SK

## CONFIDENTIAL INVESTMENT NOTIFICATION

FOR CONSIDERATION BY ACCREDITED INVESTORS ONLY

# DISCLAIMER

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This document contains forward-looking statements that reflect MMI Group Inc. (MMI)'s expectations regarding the business prospects and opportunities for the development of the investments. All statements other than statements of historical fact contained in this document are forward-looking statements, including, without limitation, statements regarding business strategy and plans and objectives of the Investments.

Such forward-looking statements are not historical facts, but instead reflect MMI's current assumptions, expectations and estimates based on information currently available to MMI. Forward-looking statements are subject to significant risks, uncertainties and assumptions, including those identified under "Risk Factors".

Although MMI believes that the expectations represented in such forward-looking statements are reasonable; there can be no assurance that such expectations will prove to be correct. Some of the factors and risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein, including the impact of general economic conditions, industry conditions, debt financing and refinancing risk, interest rate risk, the ability to access sufficient capital from internal and external sources, and the risk of fluctuation and variation in actual operating results, which variation may be material.



# INVESTMENT SUMMARY

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| | |
|---|---|
| **Purchase Price** | $12,200,000 |
| **Target Equity Contribution** | $4,000,000 |
| **Minimum Commitment** | $100,000 |
| **Target Preferred Return** | 7% |
| **Target IRR** | 16.26% |
| **Target Equity Multiple** | 2.02x |
| **Investment Horizon** | 5 Years + two 1-year extensions |




- Targeting a 7% annualized preferred return on initial investment for investors. Actual annual distributions will be dependent on available cash flows.
- Upon payment of preferred return and return of equity to investors the Investor / MMI split is 80% / 20%
- Target IRR is net of fees, after LP / GP split

# THE OFFERING

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MMI Group Inc. is pleased to offer accredited investors an opportunity to acquire two industrial investment opportunities; McAra Properties and DBM Industrial Portfolio. McAra is a two building, fully leased multi-tenant industrial asset in Regina, Saskatchewan while DBM consists of three single tenant industrial sites located in Sussex, New Brunswick, Sudbury, Ontario, and Regina, Saskatchewan. This opportunity provides investors with a strong mix of small bay (McAra) and low site coverage product (DBM) while providing geographic diversification across three provinces.

### DBM Industrial Portfolio

The DBM Industrial Portfolio consists of three industrial properties totalling 68,000 square feet across 15.4 acres. The portfolio includes 65 Vail Court in Sussex, New Brunswick, with three buildings totalling 17,760 square feet; 725–757 Martindale Road in Sudbury, Ontario, with two buildings totalling 20,240 square feet; and 1055 Fleury Street in Regina, Saskatchewan, a 30,000-square-foot warehouse facility.

Each property is located within an established industrial area with direct highway access. All three properties are leased to CanWel Building Materials Ltd., a subsidiary of the publicly traded Doman Building Materials Group Ltd. (TSX: DBM), which has occupied the sites since 2010 and will continue to do so through 2030, with an option to extend. In-place rents average $9.02 per square foot, below market rents of $9.95 per square foot in Sussex, $13.95 in Sudbury and $13.50 in Regina.

Doman Building Materials Group is one of North America's largest producers of treated lumber and is a coast-to-coast distributor of building products. They use the properties mainly for warehousing, largely self-manage and are responsible for capital expenditures, which keeps management requirements low. A third-party property manager will oversee the New Brunswick and Ontario properties.

A defining feature of this opportunity is that the acquisition includes the underlying land, giving investors ownership of prime industrial land as well as the income-producing buildings. Site coverage is low across all three properties: Sussex covers 7.15% of its 5.7-acre site, Sudbury 16.59% of 2.8 acres, and Regina 9.98% of 6.9 acres. Across the portfolio's 15.4 acres, blended site coverage is roughly 10%. The excess land allows for expansion or redevelopment, making the properties attractive to future buyers and owner-occupiers seeking to grow.

### McAra Properties

The McAra properties are located at 1680 McAra Avenue and 1681 McDonald Street in Regina, Saskatchewan and comprises of two single-storey, multi-tenant industrial buildings totaling 28,720 sq.ft. on a 1.60-acre corner site. Completed in 2014, each bay offers grade-level overhead loading, 20 ft clear height, its own electrical service and front office space. The property is fully leased to eight tenants across multiple industries.

With approximately 70% of the portfolio up for renewal over the term of the investment, MMI is targeting a 20% increase in rent on these lease renewals, a key driver of value creation for the portfolio.





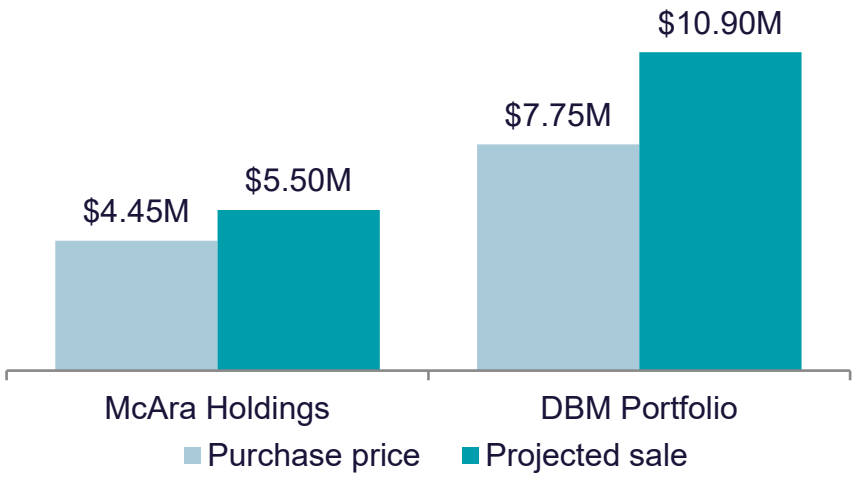


# THE OFFERING

The total purchase price for the properties is $12,200,000, with $4,450,000 allocated to the McAra Properties, or ~$155 per square foot, and $7,750,000 to the DBM Industrial Portfolio, or ~$114 per square foot.

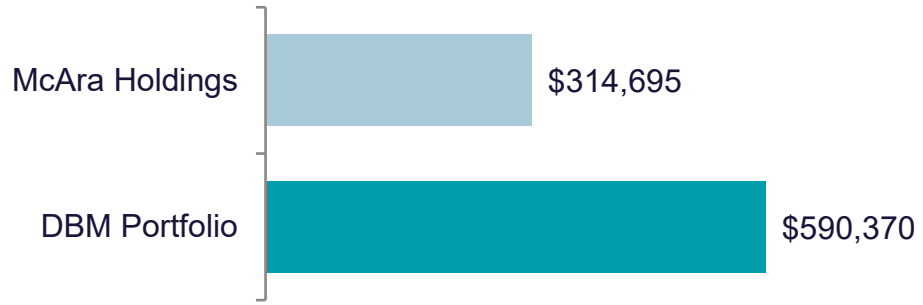
Regina's industrial market is one of the tightest in Canada, with vacancy at 2.3% in Q1 2026, while Sudbury vacancy is approximately 1.6% and the Saint John market serving Sussex is approximately 2.0%. High construction costs have limited new supply across all three regions, supporting long-term occupancy and rental growth.

## Purchase price vs. projected sale ($M)




## In-place NOI ($) and going-in cap rate

Going-in cap rates: McAra 7.07%, DBM 7.62%.



# INVESTMENT STRATEGY

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### McAra Properties

- Proactively stagger lease expiries to reduce rollover concentration risk.
- Engage tenants 12 to 24 months before maturity to secure renewals and improve lease terms.
- Capture embedded rental growth by resetting below-market rents toward prevailing market levels.
- Utilize the property's flexible bay configuration to re-tenant larger spaces with multiple smaller users when advantageous.

### DBM Portfolio

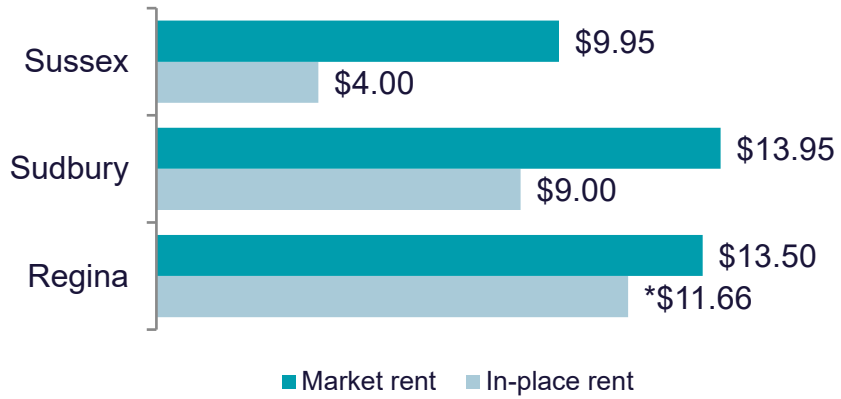
- Engage Doman approximately two years before expiry to secure a long-term lease extension with market-based rent growth, enhancing income durability and exit value.
- Leverage the portfolio's low site coverage ratio and excess land as a source of future value creation.
- Capture mark-to-market rent growth in Sussex and Sudbury where market rents exceed current in-place levels.
- Maintain optionality by commencing marketing efforts 12 to 18 months before expiry if renewal discussions indicate tenant departure.

### Lease Up & Repositioning Potential

| | Site (acres) | Building (sf) | Site coverage | Market vacancy |
|---|---|---|---|---|
| **Sussex, NB** | 5.7 | 17,760 | ~7% | 2.0% (Saint John) |
| **Sudbury, ON** | 2.8 | 20,240 | ~17% | 1.6% |
| **Regina, SK (DBM)** | 6.9 | 30,000 | ~10% | 2.3% |
| **Regina, SK (McAra)** | 1.6 | 28,720 | ~41% | 2.3% |

### Rent Upside: In-Place vs. Market ($/SF)

Market rents exceed in-place rents at every site, led by Sussex and Sudbury.




* Weighted Average of the DBM & McAra Properties

# ANTICIPATED FINANCING TERMS

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| | |
|---|---|
| **Lender** | TBD |
| **Total Loan Amount** | $9,150,000 |
| **Interest Rate** | 4.96% |
| **Term** | 3 Years |
| **Amortization** | 30 Years |
| **Loan-to-Value** | 75% |



- Financing terms based on discussions with lenders. Terms are subject to change
- Loan-to-Value is calculated as a percentage of the purchase price

# BUILDING ATTRIBUTES

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| 1681 McDonald St, Regina, SK | |
|---|---|
| **GLA** | 14,400 sq.ft. |
| **Year Built** | 2014 |
| **Occupancy** | 100% |
| **Weighted Average Lease Term (years)** | 2.68 |
| **# Tenants** | 6 |
| **Average Rent** | $11.88 psf |
| **Zoning** | IT – Industrial Tuxedo Park |



| 1680 McAra Ave, Regina, SK | |
|---|---|
| **GLA** | 14,320 sq.ft. |
| **Year Built** | 2014 |
| **Occupancy** | 100% |
| **Weighted Average Lease Term (years)** | 2.86 |
| **# Tenants** | 2 |
| **Average Rent** | $10.74 psf |
| **Zoning** | IT – Industrial Tuxedo Park |




| 1055 Fleury St, Regina, SK | |
|---|---|
| **GLA** | 30,000 sq.ft. |
| **Year Built** | Circa early-1960s |
| **Occupancy** | 100% |
| **Weighted Average Lease Term (years)** | 3.63 |
| **# Tenants** | 1 |
| **Average Rent** | $12.00 psf |
| **Zoning** | I8 – Medium Industrial |

# BUILDING ATTRIBUTES



| 725-757 Martindale Rd, Sudbury, ON | |
|---|---|
| **GLA** | 20,240 sq.ft. |
| **Year Built** | 1960s |
| **Occupancy** | 100% |
| **Weighted Average Lease Term (years)** | 3.63 |
| **# Tenants** | 1 |
| **Average Rent** | $9.00 psf |
| **Zoning** | Light Industrial |



| 65 Vail Court, Sussex, NB | |
|---|---|
| **GLA** | 17,760 sq.ft. |
| **Year Built** | 1995 - main warehouse<br>2003 secondary warehouse & office building |
| **Occupancy** | 100% |
| **Weighted Average Lease Term (years)** | 3.63 |
| **# Tenants** | 1 |
| **Average Rent** | $4.00 psf |
| **Zoning** | Medium Industrial |

# MARKET OVERVIEW

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### Regina

- Vacancy remains tight at 2.3%, with demand continuing to outpace supply.
- Strong demand for flex-industrial space; a comparable property adjacent to McAra is asking $13.50 per sq. ft.
- High replacement costs limit new supply and support future rent growth.

### Sudbury

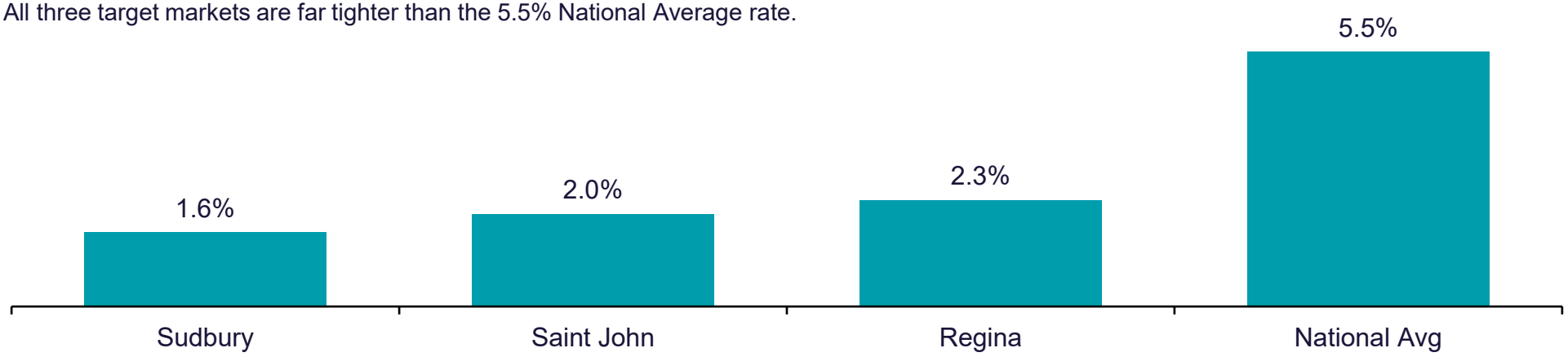
- Industrial vacancy remains exceptionally tight at 1.6%, among the lowest in Ontario.
- Mining and mining-service industries continue to drive demand for industrial space.
- Limited availability and steady investor demand support long-term occupancy and rental rate growth.

### Sussex

- NB vacancy was 5.5% in Q3 2026; Saint John was tighter at 2.0%.
- Growth in the Moncton-Saint John corridor continues to support industrial and logistics demand.
- Vail Court's $4.00 per sq. ft. rent is significantly below the provincial average of $9.95, providing embedded rent growth potential.

**Industrial vacancy by market (%)**

All three target markets are far tighter than the 5.5% National Average rate.



# RISK FACTORS

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**High Degree of Risk**
Like other types of investments, real estate investment involves risk. Historically, real estate has been a cyclical industry. There is no assurance that cash flow from the property will cover operating expenses and debt payments. If there is not enough cash flow the debt payments of the lender take priority and the investors subordinate their position which could cause a loss of their investment or additional equity may be required.

**Risk of Leverage**
Principal and interest payments or interest-only payments will be required to be made regularly on the debt facilities. These payments will be required when due regardless of asset or investment performance, noting that if payments are not made there is a risk of foreclosure and/or other legal consequences.

Discharge provisions and other loan exceptions will be aggressively pursued but are subject to lender approval. These provisions may coincide with more costly debt, or in some cases, with variable debt structures which are subject to interest rate volatility. In some cases, this may require lower leverage to meet debt service coverage requirements, which could impact investor returns.

**Operating Risks**
Operational risks include unexpected changes in occupancy, instability of income and operating expenses, overall uncertainty of market conditions and competitors causing unforeseen circumstances resulting from day-to-day operations.

**Capital Improvements**
The debt structure secured for this investment may contemplate a certain amount for capital expenditures in the future. This may be based on available information and third-party reports including, but not limited to: Roof Reports, Building Condition Reports, and the vendor's Capital Expenditure Plan.

No assurance can be made that other unforeseen capital improvements may be required, or that the allocated capital will be sufficient to cover such expenses.

**Use of Estimates and Projections**
MMI has made several assumptions and projections in its underwriting of this investment and cannot guarantee their accuracy. Third party information has been relied upon to project rental rate increases, sale prices, cap rates, redevelopment costs, and other pertinent data points that drive returns.

Given evolving market and macroeconomic conditions, no guarantee can be made that these assumptions and projections prove true, nor can MMI assure the sales prices and return metrics quoted based on these assumptions are realized.

**Dependence on Key Personnel**
The owners of MMI have extensive experience in real estate and strategically contribute to the overall success of the business. The loss of these individuals could harm the operations of MMI and could force a sale or other disposition of the Property that may not be beneficial to investors.

# OUR TEAM

MMI GROUP
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**Martin McGarry**
FOUNDER & CEO



**Chad Willis**
PRESIDENT



**Chris Macsymic**
PRINCIPAL



**Kristal Patey**
VICE PRESIDENT,
ASSET MANAGEMENT

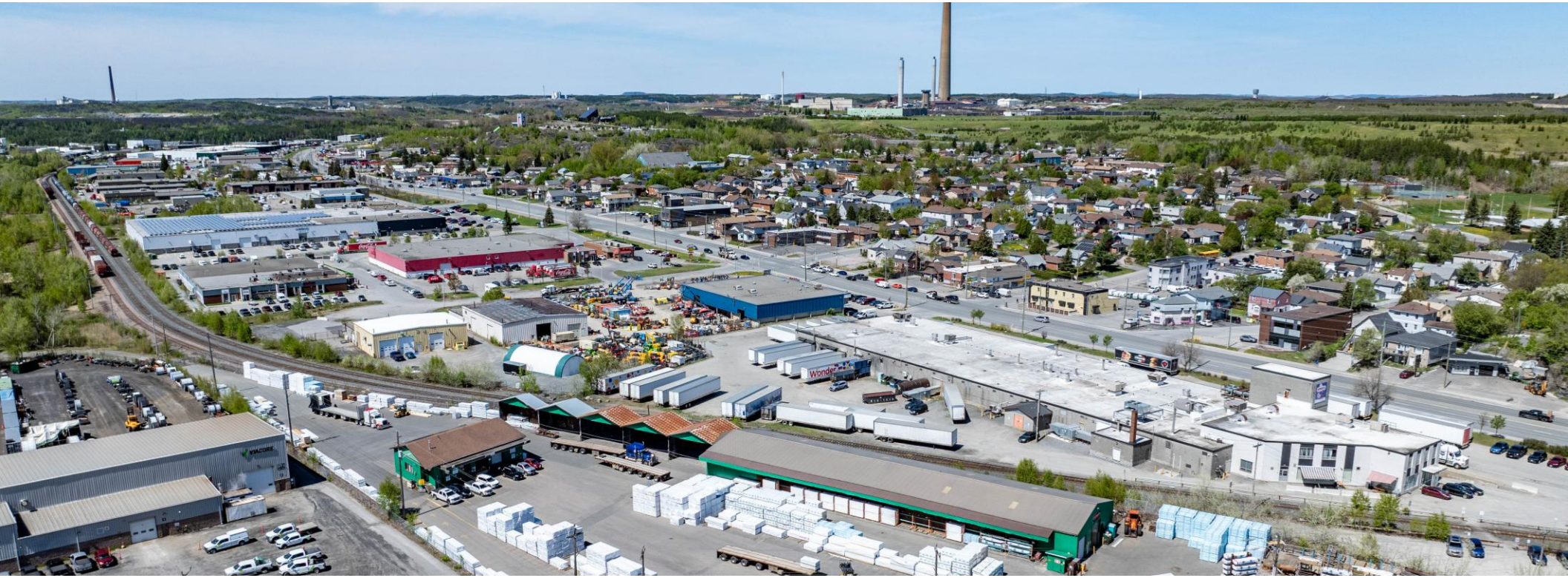


**Judy Wakefield**
CHIEF FINANCIAL
OFFICER



**Chelsea Hudson**
EXECUTIVE ASSISTANT TO
THE PRESIDENT AND CEO

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# APPENDICES

# APPENDIX 1

KEY TERMS

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| Key Term | Description |
|---|---|
| **Property** | McAra Properties & DBM Industrial Portfolio |
| **Address** | McAra Properties: 1680 McAra Ave, Regina, SK & 1681 McDonald St, Regina, SK<br>DBM: 1055 Fleury St, Regina, SK; 725-757 Martindale Rd, Sudbury, ON; 65 Vail Court, Sussex, NB |
| **Investment Structure** | Limited Partnership |
| **Offering** | Limited Partnership Units |
| **Target Equity Commitment** | $4,000,000 |
| **Minimum Subscription** | $100,000 |
| **Transaction Closing Date** | January 31, 2027 |
| **LP Preferred Return** | 7% |
| **Asset Manager** | MMI Group Inc. |
| **Term** | 5 Years + two 1-year extensions |

# APPENDIX 2

## FEE SCHEDULE

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| Type Of Fee | Description | Amount |
|---|---|---|
| **Asset Management Fee** | The Limited Partnership will pay MMI a monthly fee for investment management, research, and administrative oversight. | 1% of Committed Equity, paid monthly |
| **Acquisition Fee** | The Limited Partnership will pay MMI an acquisition fee which covers the due diligence, processing, and onboarding of the asset. | 2% of the Purchase Price of the asset |
| **Debt Placement Fee** | The Limited Partnership will pay a Mortgage Broker, or MMI, a debt placement fee for facilitation and set up of the mortgage. This fee is separate from any specific fee charged by the Lender. | 0.50% on total Loan amount |
| **Guarantee Fee** | The Limited Partnership will pay a fee to any third-party that is called upon to provide a guarantee as required by the mortgage lender. | 1-2% of the total Guarantee amount |
| **Development Fee** | The Limited Partnership will pay MMI a development fee for development, construction, and major renovations undertaken at the property. | 5% of all applicable development, construction, and major renovation costs |
| **Disposition Fee** | The Limited Partnership will pay MMI a disposition fee upon transfer of ownership of the property. | 1% of the Sale Price of the asset |

# APPENDIX 3

INVESTMENT SUMMARY

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| Sources | | | Uses | | | |
|---|---|---|---|---|---|---|
| Total Equity | $ | 4,000,000 | Purchase Price | | $ | 12,200,000 |
| Total Debt | $ | 9,150,000 | Land Transfer | | $ | 101,075 |
| | | | Acquisition Fee | 2.00% | $ | 244,000 |
| | | | Closing Legal Costs | | $ | 100,000 |
| | | | Due Diligence | | $ | 50,000 |
| | | | Miscellaneous | | $ | 15,000 |
| | | | Lender Fee | 0.45% | $ | 41,175 |
| | | | Debt Placement Fee | 0.50% | $ | 45,750 |
| | | | Lender Legal | | $ | 20,000 |
| | | | Guarantee | 2.00% | $ | 183,000 |
| | | | Capex | | $ | 150,000 |
| | **$** | **13,150,000** | | | **$** | **13,150,000** |

## Cash Flow Summary

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|---|
| *Net Operating Income | $ 858,062 | $ 862,646 | $ 866,195 | $ 1,004,694 | $ 1,113,826 |
| Less: Asset Management Fee | $ 40,000 | $ 40,000 | $ 40,000 | $ 40,000 | $ 40,000 |
| Less: Commissions | $ 3,396 | $ 3,513 | $ 22,913 | $ 129,112 | $ 0 |
| Less: Tenant Improvements | $ 1,800 | $ 1,800 | $ 7,200 | $ 12,520 | $ 0 |
| Cash Flow before Debt Service | $ 812,866 | $ 817,333 | $ 796,082 | $ 823,062 | $ 1,073,826 |
| | | | | | |
| Principal | $ 137,213 | $ 144,103 | $ 151,339 | $ 158,939 | $ 166,920 |
| Interest | $ 446,160 | $ 439,270 | $ 432,034 | $ 424,434 | $ 416,453 |
| Total Debt Service | $ 583,373 | $ 583,373 | $ 583,373 | $ 583,373 | $ 583,373 |
| | | | | | |
| **Net Cash Flow** | **$ 229,493** | **$ 233,960** | **$ 212,709** | **$ 239,689** | **$ 490,453** |

*Net of 5% vacancy and ~4% non-recoverable operating expenses

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# BUILDING TRUST THROUGH EXCELLENCE

## THANK YOU

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