It is our pleasure to share with you the results of McMaster Innovation Park’s growth and changes over the 2016 fiscal year. At our inception in 2005 we set out to achieve our vision to become an internationally recognized focal point for innovation, creativity, learning and research excellence aligned with the research strengths of McMaster University. We are pleased to report that, in 2016, we made substantial progress in executing our vision and the mission that we have been given by McMaster University, the beneficiary of the Park.

With ten years of growth, we have seen a number of McMaster researchers, departments, and offshoot companies expand their operations and commercialize their products here at MIP. At the same time, we have attracted private companies to our park by providing attractive, high-quality facilities in a physical environment which promotes collaboration, connection and innovation. Through and with our partners in incubation and acceleration such as the Innovation Factory, McMaster Industry Liaison Office, the Don Pether Incubation Centre, Factory Floor, and the Forge, we are helping to promote the creation of new products, services and companies. Many of the new companies and other entities at MIP are penetrating markets and creating economic benefits and jobs for the Hamilton and Golden Horseshoe Area. The following report provides a snapshot of some of the impacts our tenants have made. It highlights our financial success, the increase in tenancy within our buildings, the satisfaction levels of our tenants, stakeholders, primarily McMaster University but also the City of Hamilton and the Province of Ontario. In 2016, MIP enjoyed strong financial results to go along with our success in supporting innovation and commercialization with an EBITDA of $5.763M. In the process of recapitalizing, MIP incurred a one-time $6M bank fee which dropped net income to ($4,517M). Without this fee, earnings would have been $526K. MIP reinvests this income and cash flow from operations to fund and finance investment in infrastructure and new projects.

2016 also saw an increase in tenants to 61 with more than 1,100 individuals connected to the site as full or part time employees, researchers or students. This year saw the start of construction for the Biomedical Engineering and Advanced Manufacturing Fraunhofer Centre and the creation of the Synapse Consortium. The economic impact on the Hamilton economy of our tenants was measured at more than $46.0M annually during 2016.

As we move into new decade for MIP, we look forward to continuing to help grow the Hamilton knowledge based economy by creating an environment where ideas can turn into economic impacts and companies’ small or large, startups or growing, can co-locate, connect and commercialize their innovative ideas.
Overview

Who We Are

McMaster Innovation Park (MIP) is a 50 acre brownfield research and innovation park development aligned with the research strengths of McMaster University. As each new building and tenant is added, MIP continues to grow as an economic driver and diversifier for the economy of Hamilton.

At present MIP consists of three completed buildings with approximately 440,000 square feet of labs, office and research space with more on the way. By year end, MIP provided facilities to approximately 61 tenants with more than 800 people working on site.

MIP provides property development, project management and facilities management services for the space it provides. Our tenants provide additional services to support innovation and commercialization. MIP also provides conference and meeting rooms, fitness facilities and some programming to help create and support the local innovation ecosystem.

Our Vision

McMaster Innovation Park will continue to grow as an internationally recognized focal point for innovation, creativity, learning and research excellence aligned with the research strengths of McMaster University. MIP will continue to grow as a campus of multi-tenant and single tenant buildings housing services and specialized facilities in support of the Hamilton innovation and commercialization ecosystem. MIP will be a high quality, highly enriched physical environment within which many stakeholders such as business incubators and accelerators, including The Forge, Innovation Factory, McMaster Industry Liaison Office, and others can continue to provide the virtual and program support in aid of the innovation imperative.

Our Mission

The mission of McMaster Innovation Park is to develop and manage property in support of innovation and commercialization to create and sustain an environment that:

- Facilitates and accelerates innovation, the transfer of knowledge and the commercialization of research resulting in economic and social development.
- Encourages successful collaboration among industry partners, governments, hospitals, university and college researchers and educators.
- Is aligned with and leverages the research strengths of McMaster University and has global reach resulting in regional prosperity.
- Educates and excites the community about the vital role of the University in the innovation process.
- Educates and excites the community about new developing technologies and the jobs and prosperity they bring.
2016 was a year to look back and celebrate our accomplishments while continuing our growth.

MIP celebrated its 10th Anniversary in style. Dignitaries from McMaster University and the City of Hamilton came to offer words of congratulations and support for how far MIP has come. The celebration saluted the importance of having such a world class research campus in Hamilton.

- 2016 saw MIP breaking ground on the bEAM Fraunhofer Lab. This project has been in the works since 2015 and it is very exciting to see everything come to fruition. The bEAM Fraunhofer will be located at the south end of 270 Longwood Rd. S opposite MARC.

- The fall annual Tenant BBQ, is a highlight for the tenants of MIP. The MIP management office hosts the BBQ with burgers, hotdogs, salads and chips to show appreciation for our tenants.

- MIP completed its 2016 awareness study. This study calculates the percentage of the public that is aware of MIP, its mandate and whether they approve of what MIP is doing. This year’s results were 59% awareness (the same for the past 3 years) and 91% positive or neutral attitude rating.

- The staff of MIP came together for a team building event at a Hamilton build site for Habitat for Humanity. The staff safely completed some painting, siding and tile work.

- The ongoing discussions with a hotel franchisee continue. MIP hopes to complete the deal for a 130 room long stay hotel by mid-2017. 

- MIP had a solid tenant base in 2016 with approximately 9,566 sq ft out of 182,692 square feet of space changing tenancies and only 1,920 sq ft vacant in 175 Longwood at the end of the year.

- MIP projects completed in 2016 include:
  - The redevelopment and re demise of former lab space for Dr. Obhi Sukhvinder. The fit up included office and subject rooms, an open collaboration area, and various plumbing and heating improvements.
  - The redevelopment of former office space to construct a flexible server room and workshop that supports the development of McMaster University based tenants such as CIRC-Cinnos Mission Critical. Improvements included major mechanical and electrical upgrades, and widening of the main entrance with new full glass double doors and security control.

- The fit up of former lab space within the Bio Tech suite for an emerging engineering consulting group. Included in the fit up was new laboratory benches, shelves and sinks, mechanical and electrical alterations, fume hood equipment and finishes.

- Art in the Workplace is a juried art show that has been occurring at MIP for the past 8 years and continues to grow each year. In 2016, AWP celebrated the 20th, 21st and 22nd art shows at MIP. These shows featured 734 different artists using all possible mediums from fabric, pastels, pencil and ink to oils, watercolours, acrylic and tempera. Also included were various forms of photography as well as carvings and sculpture.

- In 2016 the MIP Conference Centre hosted 1,160 events with 27,112 people attending.

- MIP’s partnership with Hamilton Community Energy (HCE) to provide heating and cooling energy and services in all MIP’s buildings continued to evolve with HCE engaged to provide the next expansion to the District Energy System to accommodate new development in the warehouse building.

- MIP sponsorships and favourable space leasing arrangements are an important if indirect contribution to their success. The Innovation Factory, The Forge, and the McMaster Industry Liaison Office all continued to be instrumental in new business formation activities.

- Property management and project management support to CanmetMATERIALS research remains a core part of the MIP mission.
BEAM Fraunhofer
The BEAM Fraunhofer is currently under construction opposite the MARC. We look forward to completion late 2017 or early 2018. This project is the culmination of several years of work by Fraunhofer IZI in Germany, McMaster University VP Research office and McMaster Innovation Park. The 24,000 sq ft facility will be a centre for applied research and development in life sciences and biotechnology with special emphasis on advanced procedures for manufacturing cells, as well products comprising patient-specific and functionalized (stem) cell preparations, biomolecules, biologicals, devices and support structures for bioanalytics, clinical diagnosis and therapy.

The Synapse Life Science Competition
MIP, in its role as a hub of the Hamilton innovation ecosystem, sponsored and played host to numerous and diverse events. These events are directly tied to MIP’s mission of supporting innovation and commercialization such as Innovation Factory’s Synapse competition. The Synapse Life Science Competition is designed to help move innovative life science products and services out of the lab and into the market, by pairing up life science innovators with business and entrepreneurship students.

Throughout the competition, life science innovators team up with some of the top graduate students in the region and develop executive summaries and commercialization plans for their innovative concepts. The three teams with the strongest commercialization plans then compete in a pitch showcase in April. Previous winners include Advanced Theranostics in 2014, Sound Options in 2015. The winner in 2016 was TopSpin 360, a multi-planar, neuro-muscular training device that helps improve neck muscle responsiveness to sudden head accelerations that can result in concussions.

Synapse Life Science, led by Alex Muggah, has grown from government funding to a consortium of investors who see the true value of supporting this very worthy venture. The consortium includes the following participants:
- Bay Area Health Trust
- Hamilton Chamber of Commerce
- Mohawk College
- McMaster University
- Hamilton Economic Development
- St. Joseph’s Healthcare Hamilton
- Hamilton Health Sciences
- Innovation Factory

Their mandate is to create an ecosystem to attract investment and develop health innovations for global export.

Plans and permitting for a new multi-tenant project named the Emerging Technologies Centre to provide some additional inventory of labs, office and commercialization spaces were refined over the course of the year. The project must, however, receive a significant financial contribution before it can proceed. MIP will continue to make attracting that contribution a high priority.

HCE and McMaster Innovation Park
In 2010, HCE formed a strategic partnership with McMaster Innovation Park, completing an on-site satellite operation, becoming one of the first in Ontario to combine conventional DES with renewable technology—connecting and interfacing district heating and cooling equipment with a geo exchange system of eighty-one 500 ft. geo wells and the CANMET Materials Laboratory solar thermal technology.

This project is one of a very few employing a hybrid of renewable, green and conventional technologies in a district energy concept, and where HCE is at the forefront of innovative technology partnerships.

In 2016, MIP began planning with HCE for a new addition to the DES to provide heating and cooling energy to the balance of 270 Longwood Road to accommodate the needs of the BEAM-Fraunhofer project centre as well as to provide for future development of the rest of this building. A new feature of this energy centre will be a behind the meter co-gen plant to supply electricity to the tenant at a favourable cost and to provide standby power to meet the special requirements of the tenants.
Our Results

At the end of 2016, more than 800 people were working at MIP. The direct and indirect impacts of these levels of employment are significant. Using a consulting group, an analysis of MIP's impact on the local economy was completed in September 2015. MIP has grown from our 2015 numbers and we look forward to reporting new impact numbers when the next survey is completed in 2017. Based on the 2015 study, tenants of MIP generate the following estimated economic benefits:

- Total economic impact for Hamilton ranges between $46 million – $59 million
- Total economic impact for Ontario ranges between $49 million – $62 million
- Total employment impact for Hamilton is 722 and Ontario 753 full-time jobs

**Elements of the Innovation Ecosystem at MIP**

- McMaster Industry Liaison Office (MILO) – 80 to 100 invention disclosures per year
- MILO preINC – 5 to 6 projects at any given time
- Innovation Factory (iF) and the Factory Floor – 1,030 intakes since inception
- The Don Pether Incubation Centre – 2 companies
- The Forge – 6 companies on the floor with a total of 49 companies primarily through virtual means
- MIP Incubation space – 14 companies
- MIP Biotech incubator – 2 companies
- Business support services including legal, ICT, marketing, accounting and insurance
- Ontario Centres of Excellence office
- NRC-IRAP office
- Space for McMaster University graduate students

Surveys were conducted in 2016 to gauge the awareness of MIP amongst the general public, the stakeholders of MIP, as well as the satisfaction levels of the tenants and the economic impact of MIP on the local Hamilton and Ontario economies.

- The stakeholders were satisfied with the direction MIP is heading and the balance achieved between financial results and achieving its mission and vision.
- In 2016, the Atrium@MIP tenant satisfaction survey showed an increase in the tenant's perception of MIP realizing their vision and mission, as well as a general increase in satisfaction levels to 94.1%.
- In 2016, the tenants at CANMET materials increased their levels of satisfaction in regards to the level of service, the internal and external grounds, and the project work being completed in their building to 89.2%.

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Big data visualization showing trends in tenancy and satisfaction over the years.

**2016**

**Key Indicators of Overall MIP Performance**

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<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Number of Tenants</td>
<td>40</td>
<td>61</td>
<td>57</td>
<td>61</td>
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<tr>
<td>Tenant Satisfaction</td>
<td>86.70%</td>
<td>93.60%</td>
<td>94%</td>
<td>95.50%</td>
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<tr>
<td>Tenant Employees on Site</td>
<td>520</td>
<td>600</td>
<td>800</td>
<td>800</td>
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</tbody>
</table>

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Source: McMaster Innovation Park 2013 Economic Impact Report, Focus Business Consulting, McMaster University DeGroote School of Business
Tenant Accomplishments

It’s been an explosive year for the thriving start-up ecosystem in Hamilton, and MIP is proud to have played a role in housing some of these entrepreneurs, as well as companies like The Forge and Innovation Factory, who work closely with various innovative start-ups in the community.

Election to the 2016 NAI Fellow status is a high professional distinction awarded to academic inventors who have demonstrated a prolific spirit of innovation in creating or facilitating outstanding inventions that have made a tangible impact on quality of life, economic development, and the welfare of society. Dr. Ali Emadi is the Canada Excellence Research Chair in Hybrid Powertrain and professor of electrical and computer engineering and mechanical engineering at McMaster University. Emadi holds 40 U.S. patents and patents pending and successfully transferred technology from research to industry.

On Tuesday, July 26, 2016, Federal Minister of Innovation, Science and Economic Development, Navdeep Bains, announced that a federal grant of almost $12 million will assist McMaster University in opening the new research centre, Biomedical Engineering and Advance Manufacturing - BEAM. It will occupy 24,000 sq.ft. in the warehouse attached to the MARC facility at MIP and is expected to open at the end of 2017. BEAM is a joint project between McMaster University and Germany’s Fraunhofer Institute for Cell Therapy and Immunology, which is Europe’s largest applied research organization. It will focus on research and development in life sciences and biotechnology.

A business incubator at the McMaster Innovation Park is celebrating its first major “graduation” with the $2-million acquisition of a Hamilton startup company that is developing a unique home health-care platform. Formerly CareKit Health, now iUGO Health — which was operating at The Forge at MIP — is working on a range of technologies for home use, from automated audio reminders to beaming real-time vital signs to health-care providers. iUGO Health (CareKit) was acquired by B.C. based Moseda Technologies Inc., which describes itself as an “established technology company working to develop mobile health solutions.” Moseda plans to further develop iUGO Health technology that uses wearable components, sensors, and a voice technology hub.

Premier Kathleen Wynne spoke to an audience at McMaster Innovation Park on April 26, 2016, as part of a tour to sell her government’s accomplishments and the heavy infrastructure investments included in its most recent budget. Premier Wynne would like to change the way people think about growing Ontario’s economy.

Premier said in an interview that getting the province’s economy back on track is about more than tax cuts for corporations, it’s also about people, health care, education and many other fields.

Spectrum held its second annual Spectrum Student Startup Competition. Mariner Endosurgery, one of the companies working out of The Forge, was one of the five big winners, walking away with $20,000 in cash, plus other in-kind awards. The company, which is developing a revolutionary solution (LaparoGuard) that will make laparoscopic surgeries safer and more error-free, was one of the five companies who won — each being awarded the same prize.

Each of the finalists presented a 3-minute pitch before the audience and the judges, then faced questions from the judging panel. Congratulations to Mitch Wilson and the rest of the Mariner Endosurgery team!
Community Engagement

Art in the Workplace is a juried art show that has been occurring at MIP for the past 8 years and continues to grow each year. In 2016, AWP celebrated the 20th, 21st and 22nd art shows at MIP. These shows featured 734 different artists using all possible mediums from fabric, pastels, pencil and ink to oils, watercolours, acrylic and tempera. Also included were various forms of photography as well as carvings and sculpture.

Another feature of Art in the Workplace is that typically only Hamilton based artists are selected as well as art students of local Hamilton high schools. Art in the Workplace gives all artists a platform with which to proudly showcase their incredible work as well as being able to offer their pieces for sale to the general public if they so choose. Each show includes one featured artist. In 2016, these were:

**KARLENE BLAND** - My first training was as an accountant/auditor but I later picked painting up as a hobby which then turned into my full-time obsession. I so love encapsulating encounters with the beauty of nature or people and children, to be remembered and relived with pleasure at another time, be it now or generations to come. Use of vivid colors is the language I employ to express the mood of my subject matters which I find way more stimulating to paint from life's observations. Manipulating with paint and textures in the studio is just as exciting and exploratory, allowing my imagination to play itself out.

**ERNA DE VRIES** - Industry sustains our lifestyle and nature provides the essence of our existence. Living in an urban industrialized environment I am reminded of the complexities of creation, the dichotomy of change and the need to co-exist. Concrete and metal dominate the landscape while clouds billow from vertical stacks along the bay. In juxtaposition, trees rise majestically, line the escarpment, clean the pollutants in the air yet struggle to survive. These powerful images are my reality and source of inspiration working with encaustic has given me renewed respect for the production of bees' wax and integrating reclaimed metal reminds me of our responsibility to the earth. Concrete provides the foundation for my art and photos of the region are fused between layers of wax. Through the portrayal of these diverse elements I aim to create an equilibrium between nature and industry while striving to maintain a reverence for the relationship between our natural and man-made worlds.

**MARIA SARKANY** - Community support is essential for Art and Culture to flourish. We are witnessing a cultural awakening. These artworks were created with the intent to promote, document and appreciate these changes in our community.
This management’s discussion and analysis (MD&A) includes information that will help the reader understand MIP management’s perspective of the audited condensed combined financial statements and notes for the twelve month period ending December 31, 2016. The information is based on what we knew as of April 30, 2017.

The reader is encouraged to read this discussion in conjunction with the audited combined financial statements and notes for the year ending December 31, 2016. Information about MIP including our audited consolidated financial statements can also be found on the MIP website at www.mcmasterinnovationpark.ca

The financial information in this MD&A and in the financial statements and notes are prepared according to the Accounting Standards for Private Enterprises (ASPE). Unless specified otherwise, all dollar amounts are in Canadian dollars.

Caution about forward-looking information

The MD&A includes statements and information about the expectations for the future of MIP. When discussing strategy, plans, future financial and operating performance, MIP is making statements considered to be forward-looking. Key things to understand about the forward-looking information in this MD&A:

• This represents MIP’s current views and may change significantly.
• It is based on a number of material assumptions which may prove to be incorrect.
• Actual results may be significantly different from what MIP currently expects due to the risks associated with the business.
• Forward looking information is designed to help you understand management’s current view of MIP’s near and longer term prospects which may not be appropriate for other purposes.

Results from Operations

After incurring a onetime expense of approximately $6M in fees to extinguish and renegotiate a loan, earnings for the year were at a loss of $4,517K (2015 - $1,114K). Without the onetime expense and a positive capital draw down earnings would have been reported at $526K. Earnings before interest, taxes, depreciation and amortization (EBITDA) were $5.763M (2015 - $5.692M).

Revenues were $11.239M which represents an increase of $133K since 2015 due to an increase of $97K in Atrium rents and increased revenues from Parking, Conference Centre and Fitness Centre.

Operating expenses were $5.463M for 2016 which is $156K more than 2015 operating expenses and reflects an increase in utilities expenses ($183K increase from 2015). Fully recoverable costs in 2016 were $3.8M as opposed to $3.625M in 2015.

Capital expenditures, net of capital leases, were at $333K - a decrease of $3,117K since 2015. In 2015 $2.7M of capital expenditures were added to the Land category for the purchase of the CP land Property.

Interest expenses of $10.2M (2015 - $4.5M) includes interest under capital lease obligation of $407K (2015 - $418K). In 2016 is recorded a $6.0M prepayment penalty to renegotiate the BDC loan. Over the remaining term of that loan a net savings to MIP of $3.0M will be realized. The BDC loan from January to September 2016 incurred interest rate of 5.75% compounded monthly. This loan was renegotiated in 2016 to 3.25% starting on October 13, 2016. The savings between these two interest rates is being shared with CMAT the tenant of the building for which the construction loan was entered into. This is reported as a reduction in the CMAT rental revenues.

McMaster University charges a 0.5% Debt Service Deficiency Agreement charge on the $23.0M BMO loan balance. On December 31, 2016 MIP entered into a new $5.0M loan with BMO from which an initial draw of $2.0M was realized and used to pay down funds advanced to MIP by McMaster University.

Debt, net of capital lease obligations, as of December 31, 2016 was $80.6M, which is an increase of $3.3M since 2015. On January 1, 2016 a 5 year, BMO 5.0M SWAP came due and was aggregated with 2 other floating rate loans and one new loan to form a new SWAP of $7.9M at 2.27% for 5 years.

Operating, Investing and Financing Activities

The cash from operations in 2016 of $1,628K versus the 2015 amount of $1,177K shows an increase of $451K. This is a reflection of the timing of the CMAT refinancing offset with deferred or cancelled capital projects.
### Consolidated Financial Summary History

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</thead>
<tbody>
<tr>
<td><strong>Net Income (After Draw Downs)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>118K</td>
<td>798K</td>
<td>668K</td>
<td>966K</td>
<td>279K</td>
<td>-148K</td>
<td>4,517K*</td>
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<td><strong>Cash Position (Net of LCDF)</strong></td>
<td>6,378K</td>
<td>4,078K</td>
<td>677K</td>
<td>1,419K</td>
<td>2,752K</td>
<td>4,290K</td>
<td>1,079K</td>
<td>1,466K</td>
<td>11K</td>
<td>2,252K</td>
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<td><strong>No Equity Injection from McMaster</strong></td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td><strong>Value of McMaster Investment</strong></td>
<td>13.3M</td>
<td>13.3M</td>
<td>13.3M</td>
<td>14.4M</td>
<td>14.8M</td>
<td>15.9M</td>
<td>16.1M</td>
<td>19.9M</td>
<td>15.4M</td>
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<td>17.1M</td>
<td>31.0M</td>
<td>45.5M</td>
<td>4.7M</td>
<td>1.2M</td>
<td>1.0M</td>
<td>1.3M</td>
<td>3.5M</td>
<td>0.3M</td>
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<tr>
<td><strong>Book Value of Fixed Assets (including Canmet Investment in Lease, net of Capital Leases)</strong></td>
<td>21.1M</td>
<td>37.7M</td>
<td>68.6M</td>
<td>96.7M</td>
<td>96.6M</td>
<td>99.8M</td>
<td>99.6M</td>
<td>99.4M</td>
<td>112.1M</td>
<td>100.3M</td>
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<td><strong>Overall Occupancy</strong></td>
<td>n/a</td>
<td>n/a</td>
<td>53.7%</td>
<td>81.2%</td>
<td>98.2%</td>
<td>99.3%</td>
<td>99.3%</td>
<td>95.0%</td>
<td>98.5%</td>
<td>98.2%</td>
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<tr>
<td><strong>EBITDA</strong></td>
<td>0.175M</td>
<td>0.177M</td>
<td>0.423M</td>
<td>1.337M</td>
<td>5.143M</td>
<td>5.463M</td>
<td>5.558M</td>
<td>4.846M</td>
<td>5.692M</td>
<td>5.765M</td>
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<tr>
<td><strong>EBITDA to P&amp;I Coverage Ratio</strong></td>
<td>n/a no principal pymt</td>
<td>n/a no principal pymt</td>
<td>n/a no principal pymt</td>
<td>87.0</td>
<td>95.0</td>
<td>87.5</td>
<td>87.6</td>
<td>86.7</td>
<td>91.0</td>
<td></td>
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<tr>
<td><strong>Capitalization Rate</strong></td>
<td>0.8%</td>
<td>0.5%</td>
<td>0.6%</td>
<td>1.5%</td>
<td>4.9%</td>
<td>5.0%</td>
<td>4.4%</td>
<td>3.8%</td>
<td>4.4%</td>
<td>4.5%</td>
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<tr>
<td><strong>ROE</strong></td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.88%</td>
<td>5.60%</td>
<td>4.49%</td>
<td>6.10%</td>
<td>1.70%</td>
<td>5.60%</td>
<td>9.85%</td>
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<tr>
<td><strong>Long term Debt (net of Capital Leases)</strong></td>
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<td>$12.2M</td>
<td>$52.8M</td>
<td>$67.9M</td>
<td>$78.3M</td>
<td>$77.4M</td>
<td>$75.8M</td>
<td>$75.4M</td>
<td>$73.3M</td>
<td>$80.6M</td>
</tr>
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</table>

*EBITDA: Earnings before depreciation, interest, taxes and amortization

**Reduced cash position in 2016 as a result of a one-time extraordinary item which was resolved in January 2016.

*** Capitalization rate is defined as – the return as of the project was 100% financed.

### Balance Sheet History [$000's]

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<tr>
<td><strong>Current Assets</strong></td>
<td>6,669</td>
<td>6,855</td>
<td>3,886</td>
<td>6,578</td>
<td>7,613</td>
<td>10,029</td>
<td>3,852</td>
<td>4,536</td>
<td>3,100</td>
<td>4,844</td>
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<td><strong>Capital Assets</strong></td>
<td>21,079</td>
<td>37,976</td>
<td>38,824</td>
<td>43,752</td>
<td>47,198</td>
<td>47,130</td>
<td>49,732</td>
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<td>52,156</td>
<td>51,167</td>
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<tr>
<td><strong>Net Investment in Canmet Lease</strong></td>
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<td>0</td>
<td>30,000</td>
<td>52,633</td>
<td>55,377</td>
<td>55,352</td>
<td>54,766</td>
<td>54,801</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>27,748</td>
<td>44,831</td>
<td>72,710</td>
<td>102,963</td>
<td>110,188</td>
<td>112,511</td>
<td>108,350</td>
<td>109,269</td>
<td>109,310</td>
<td>110,038</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>1,142</td>
<td>15,558</td>
<td>25,454</td>
<td>10,398</td>
<td>5,895</td>
<td>9,438</td>
<td>4,740</td>
<td>7,177</td>
<td>6,915</td>
<td>7,148</td>
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<tr>
<td><strong>Long Term debt</strong></td>
<td>0</td>
<td>3,066</td>
<td>21,576</td>
<td>67,882</td>
<td>79,842</td>
<td>78,961</td>
<td>79,659</td>
<td>79,042</td>
<td>76,738</td>
<td>82,852</td>
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<td><strong>Other/Deferred Grants</strong></td>
<td>13,288</td>
<td>12,889</td>
<td>12,362</td>
<td>11,247</td>
<td>10,217</td>
<td>9,209</td>
<td>8,088</td>
<td>6,908</td>
<td>5,742</td>
<td>4,640</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>14,430</td>
<td>31,513</td>
<td>59,392</td>
<td>89,527</td>
<td>95,954</td>
<td>97,608</td>
<td>92,487</td>
<td>93,127</td>
<td>89,395</td>
<td>94,640</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>13,318</td>
<td>13,318</td>
<td>13,318</td>
<td>13,436</td>
<td>14,234</td>
<td>14,903</td>
<td>15,863</td>
<td>16,142</td>
<td>19,915</td>
<td>15,398</td>
</tr>
<tr>
<td><strong>Total Liability &amp; Equity</strong></td>
<td>27,748</td>
<td>44,831</td>
<td>72,710</td>
<td>102,963</td>
<td>110,188</td>
<td>112,511</td>
<td>108,350</td>
<td>109,269</td>
<td>109,310</td>
<td>110,038</td>
</tr>
</tbody>
</table>

### Current Key Financial Performance Indicators and Five Year Forecast

As a construction, property and lease management company, MIP’s KPI’s reflect the need to have adequate cash on hand for expansion or the resources to be able to fund expansion from external sources. It also requires a net income adequate for a return on the investment of MIP’s sole beneficial owner, McMaster University.

![Current Key Financial Performance Indicators and Five Year Forecast](image-url)

*EBITDA: Earnings before depreciation, interest, taxes and amortization

**Reduced cash position in 2016 as a result of a one-time extraordinary item which was resolved in January 2016.

*** Capitalization rate is defined as – the return as of the project was 100% financed.