

2025 Annual Review

MORGUARD REIT

A diversified Canadian
portfolio for durable returns

Morguard

ABOUT MORGUARD REIT

High-Quality Canadian Real Estate Assets

Morguard Real Estate Investment Trust is a closed-end trust listed on the Toronto Stock Exchange (TSX) under the symbol MRT.UN. We selectively acquire and actively manage high-quality Canadian real estate to deliver consistent returns. The Trust had total real estate assets of \$2.2 billion as at December 31, 2025, comprising a diversified real estate portfolio of 45 commercial properties, consisting of approximately 8.1 million square feet of gross leasable area (GLA) located in six Canadian provinces.

Our properties are strategically diversified across three asset classes:

Retail: Our portfolio of regional shopping malls total 3.3 million square feet of GLA while our portfolio of community shopping centres amounts to 1.1 million square feet of GLA. The 18 properties are anchored by national grocery chains, established retailers, banks and popular restaurant brands, ensuring stability and reducing reliance on any single retail category.

Office: Our mix of single- and multi-tenant office buildings amount to 3.5 million square feet of GLA in 23 high-quality properties located in major urban centres, with a tenant mix dominated by federal and provincial governments and major financial institutions.

Industrial: A smaller, strategic component of our portfolio, at 0.3 million square feet, with four properties designed to increase the diversity of our broader holdings.

By leveraging geographic and sectoral diversity, Morguard REIT is well positioned to navigate changing economic and market conditions, capitalize on market strengths and deliver consistent, stable cash flows. Our proactive management and strategic approach position the Trust as a leader in Canadian real estate. We remain focused on meeting diverse tenant needs, investing in the longevity of our assets and creating consistent value for unitholders over time.

TOP RETAIL TENANTS

A breakdown of the Trust’s 10 largest retail tenants by rental revenue as at December 31, 2025.

Top Retail Tenants	% of total retail revenue	# of locations
Canadian Chartered Banks	4.7%	15
Canadian Tire Corp.	4.2%	7
Loblaw Companies	3.8%	9
GoodLife Fitness	3.4%	5
Sobeys Inc.	3.0%	3
Cineplex Odeon	2.3%	3
Dollarama	2.3%	10
TJX (Winners and Marshalls)	1.7%	4
Federated Co-operatives Ltd.	1.6%	2
Walmart	1.5%	2



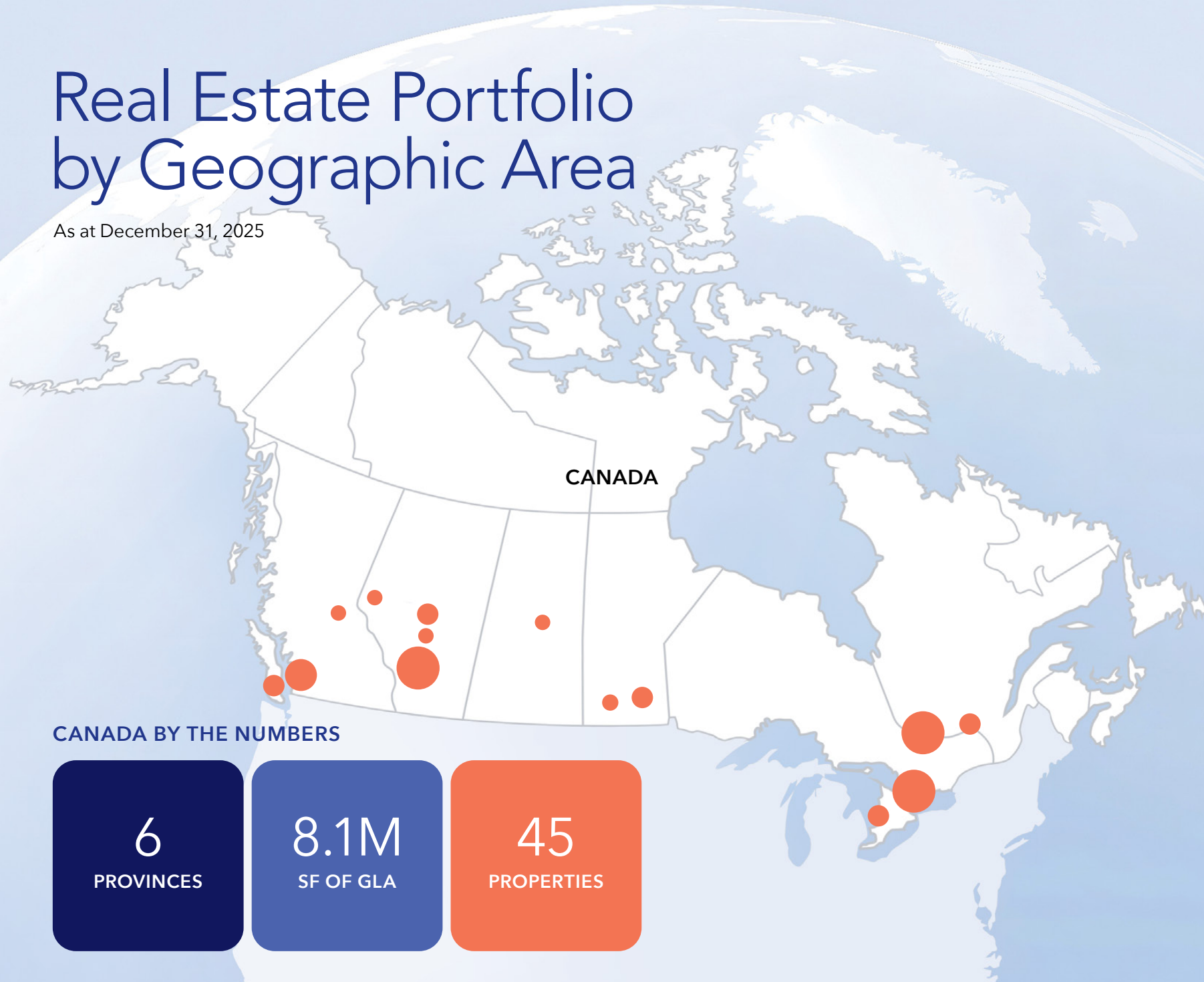
PLACE INNOVATION

Saint-Laurent, QC | 903,000 SF GLA

Reflecting our commitment to innovation and high-quality relationships with partners who are advancing the industry, Morguard REIT’s jointly-owned Place Innovation celebrated numerous key developments in 2025, including a 10-year lease renewal with Genetec Inc., a software company, and the launching of one of three locations for Morguard’s \$6.5 million Smart Building Living Lab collaboration with Nokia and Canada’s Centre of Excellence in Next Generation Networks. Place Innovation is conveniently located in Technopark Montreal, with easy access to major transportation hubs.

Real Estate Portfolio by Geographic Area

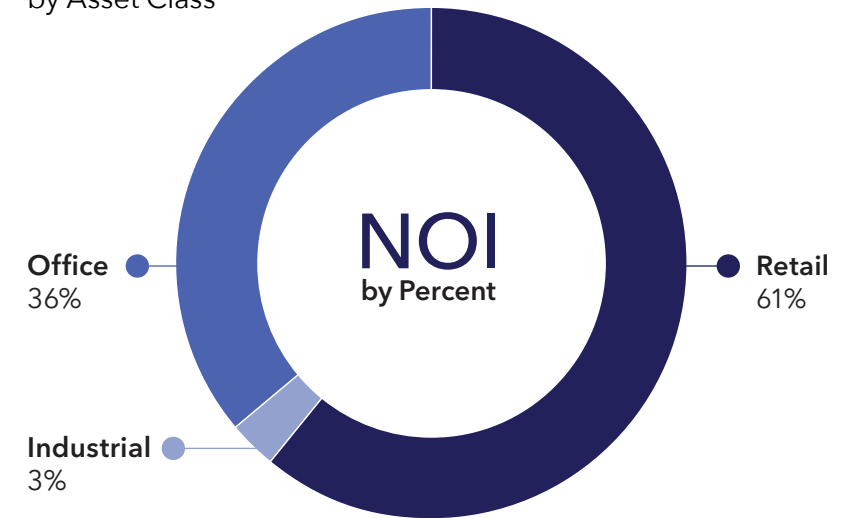
As at December 31, 2025



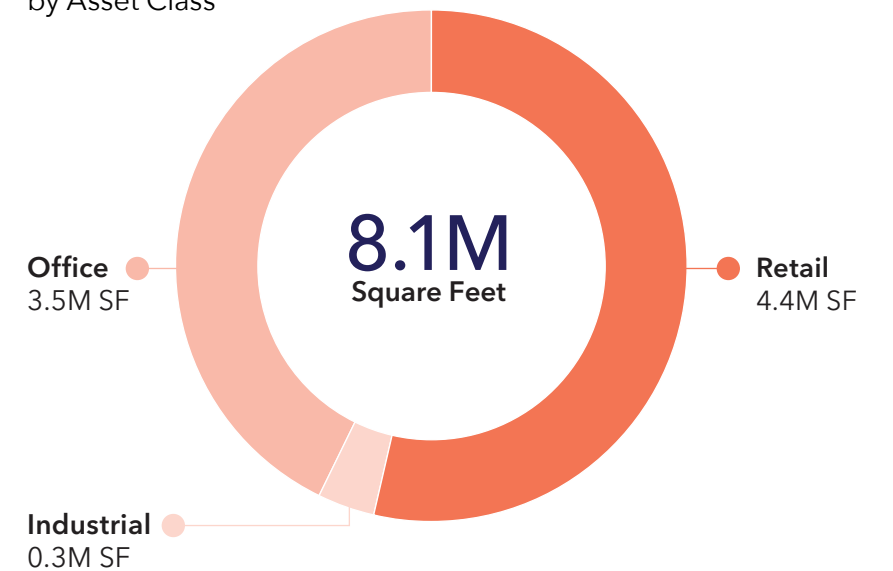
CANADA BY THE NUMBERS



NET OPERATING INCOME by Asset Class



GROSS LEASABLE AREA by Asset Class



Leadership Perspective: Strategic Opportunity and Reinvestment

“The re-tenanting process in both the office and retail portfolios proceeded with more interest than expected, suggesting a turning of the soft market cycle.”

Angela Sahi
President & CEO



Like most transition years in the commercial real estate sector, 2025 featured both challenges and wins for Morguard REIT. Results exceeded expectations, driven by strong retail leasing momentum and a one-time tax refund.

Re-tenanting activity across office and retail accelerated, with stronger-than-expected interest indicating improved market conditions. In particular, vacancies in our enclosed regional shopping centres seemed likely to be filled by exciting new retailers who will add value and attract more pedestrian traffic to our holdings.

RESILIENT AND DURABLE PERFORMANCE

The diversity of our portfolio of Canadian commercial property allowed us to maintain consistent distributions of \$0.02 per unit per month throughout 2025. Revenues were \$239 million, a decline of \$19.8 million, or 7.7%, from 2024’s \$259 million. Net operating income for the year ended December 31, 2025, decreased 13% compared to 2024, from \$128 million to \$112 million.

OCCUPANCY AND LEASING

Stronger than anticipated interest in our office properties, and reinvestment in our shopping centres supports expected occupancy gains over the next three years. Our overall occupancy rate for the portfolio was 85% in 2025. Materially affecting occupancy was a lease expiry for the single-tenant occupied

Penn West Plaza, a 635,000-square-foot Class A Calgary office complex, followed by higher-than-expected leasing activity as the property converted to a multi-tenant asset. The Bay’s two disclaimed leases also affected occupancy while providing an opportunity to revitalize shopping centre assets.

A DIVERSIFIED PORTFOLIO PRIMED FOR GROWTH

Office

Our strategy focusing on well-located, high-quality properties in major urban centres spurred stronger-than-anticipated interest in multi-tenant properties from well-established national tenants, reflecting the onset of the next cycle. In 2025, return-to-office mandates and re-amenitization efforts

energized our portfolio, foretelling renewed leasing activity into 2027 and beyond. Having maintained higher-than-industry occupancy rates throughout pandemic-related work-from-home mandates, the REIT’s 80.4% occupancy for our office portfolio in 2025 reflected the broader Canadian market, as did NOI declines.

Retail

Retail fundamentals remain strong, with 5% rental growth on enclosed malls and 9% on community centres. Leasing activity continues, including two No Frills locations in Red Deer and Saskatoon. We are also advancing redevelopment of the former Sears space at St. Laurent Centre. NOI increased modestly by \$1.4 million, to \$68.4 million at year end compared to \$67 million for the same period ended 2024.

LETTER FROM THE PRESIDENT & CEO

Specifically, we attributed the increase largely to a 2021-2024 tax refund partially offset by bad debt expenses in the enclosed mall portfolio (due to creditor protection proceedings from The Bay and other smaller tenants). Occupancy's decline to 88% will create circumstances for investment and re-tenanting to attract established retailers that will unlock value and potential in enclosed malls in 2026 and beyond.

Industrial

Reflecting the way our four industrial assets complement Morguard's diversification strategy, occupancy in the sector increased to 97.2%. NOI for our industrial properties in 2025 was \$3.7 million versus \$2.9 million for the same period ended 2024, an increase of \$0.8 million, mainly due to increased basic rent and decreased vacancy costs.

PRUDENT BALANCE SHEET MANAGEMENT

Given the softer market in 2025, the Trust prioritized keeping debt ratios steady relative to the previous year. Overall liquidity for the year ended December 31, 2025, stood at \$68 million. Unencumbered assets were consistent, at \$219 million, as was total indebtedness to gross book value of total assets, at a steady 57%.

"Stronger than anticipated interest in our office properties and reinvestment in our shopping centres supports expected occupancy gains over the next three years."

LOOKING AHEAD TOWARD GROWTH

Taking the opportunity to evaluate 2025, it was a year of transition and renewal. High construction costs support leasing demand in our enclosed centres. Office momentum continues, driven by targeted investment in key assets. And we continue to seek entitlements as we see development potential and embedded value in the Trust's assets across the country.

"The diversity of our portfolio of Canadian commercial property allowed us to maintain consistent distributions of \$0.02 per unit per month throughout 2025."

In 2025, we continued our strategy of real estate leadership with a special partnership. Canada's Centre of Excellence in Next Generation Networks (CENGN) and Nokia partnered with Morguard as the exclusive real estate partner to advance Canadian innovation with the construction of Smart Building Living Labs. The facilities, located at Place Innovation and St. Laurent Centre, enable domestic startups to accelerate their path to market through the testing of sensor, robotic and AI products. The initiative is just one way that Morguard is leading the way in Canada as we develop the future of real estate.

Finally, I want to thank unitholders for their continued support of the Trust, as we look forward to a bright future for Canada's office, retail and industrial sectors.

Sincerely,



Angela Sahi
President & CEO



STANDARD LIFE CENTRE

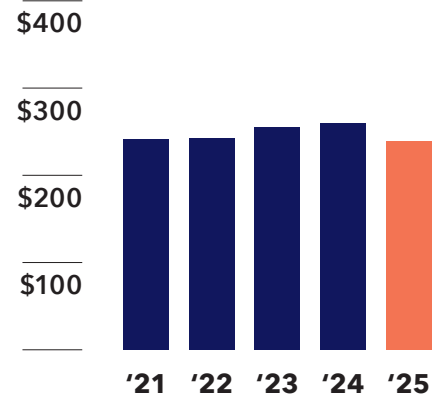
Ottawa, ON | 371,000 SF GLA | 17 storeys

Underscoring our ongoing confidence in the Ottawa market, Morguard in 2025 began a modernization and energy retrofit project at this conveniently located downtown office building, set within walking distance of Parliament Hill and the Byward Market neighbourhood.

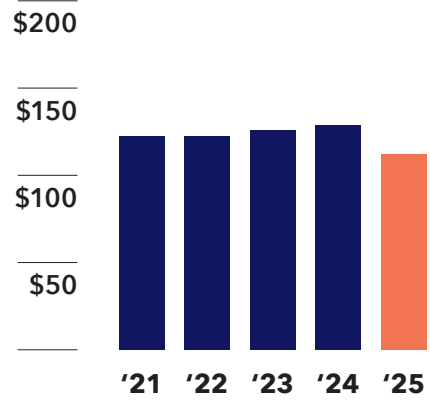
OVERVIEW

Operations

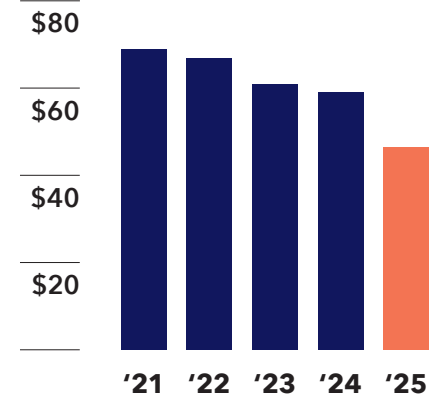
TOTAL REVENUE
In Millions of Dollars



NET OPERATING INCOME
In Millions of Dollars



FUNDS FROM OPERATIONS
In Millions of Dollars



LIQUIDITY AND UNENCUMBERED ASSETS
In Millions of Dollars



85.5%
OCCUPANCY FOR ENCLOSED
REGIONAL CENTRES

95.1%
OCCUPANCY FOR COMMUNITY
SHOPPING CENTRES

80.4%
OFFICE
OCCUPANCY

97.2%
INDUSTRIAL
OCCUPANCY



St. Laurent Centre
Ottawa, ON
797,000 SF GLA

COMMUNITY SHOPPING CENTRES
1.1 million SF GLA | 11 properties

Exemplifying a key benefit to our diversified commercial real estate strategy, our community shopping centres ended the year with net operating income on a same asset basis that increased by 2.9%, from \$19.7 million in 2024 to \$20.2 million in 2025. With a 95.1% occupancy rate at year end, the Trust's team expects the occupancy number to rise to 99% within 2026.

ESG FRAMEWORK

Sustainable Decision-Making, Lasting Impact

Investing in sustainable operations for future generations to reduce footprints, manage risk and boost community engagement.



111 Dunsmuir Street
Vancouver, BC
217,500 SF GLA

Guided by Morguard Corporation’s sustainability framework, our ESG efforts build on more than a decade of experience seeking to reduce environmental impact and build engaged communities. We view ESG as a natural extension of responsible management, reflecting our commitment to long-term success and sustainable growth.

The strategy is guided by our key values of diversity, integrity and responsibility. And each initiative is tracked to assess impact on returns and ensure that each one reflects the overall Morguard priority of promoting steady growth and stable returns for our investors.



REDUCING FOOTPRINTS

We’re committed to improving

building efficiency, conserving resources and integrating sustainable design across our portfolio. Morguard’s long-term targets include a 50% reduction in greenhouse gas (GHG) emissions by 2030 and achieving net-zero status across the portfolio by 2050.

By enhancing building efficiency and conserving resources, we can make a significant difference. Our efforts include:

- ongoing program of major retrofits and conservation upgrades, including HVAC systems, lighting retrofits and energy-efficient windows
- tracking progress toward achieving energy, water and waste reduction targets
- embracing sustainable design and construction practices



INCREASING IMPACTS

Sustainability is about people as

much as our planet. Through meaningful engagement with employees, tenants, and communities, we’re creating environments where everyone can thrive, with:

- deep retrofits that improve energy efficiency
- smart building technologies
- improved data collection



MANAGING OPPORTUNITIES & RISKS

We’re strengthening

our business resilience by understanding and managing our climate-related and ESG risks, while actively seeking out opportunities to future-proof our assets. The approach prioritizes:

- robust ESG governance
- climate-change risk assessments
- rigorous health and safety standards
- enhanced cybersecurity protocols
- responsible supply chain approach

Such priorities help to future-proof our assets against climate and ESG-related factors. We’ll continue to measure, monitor and report our sustainability efforts, setting the stage for enduring value and impact.



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