

MORGUARD
REIT

THINKING. FORWARD.

AN OPPORTUNITY TO ENVISION.



It is solid thinking to believe that Canadian commercial real estate will generate steady returns over the long run. That is why Morguard REIT's highly diversified portfolio is poised for the future, with 46 commercial properties in Canadian urban centres accounting for 8.3 million SF of gross leasable area. Our mix of high-quality real estate assets in key markets provides us with the strength and stability needed to withstand any economic condition.

And Morguard's network of experienced, forward-thinking real estate professionals has the skills and knowledge to enhance and envision our properties, broadening our tenant base and bringing people back to our offices, industrial buildings and retail centres.

Thereby, ensuring long-term value to our unitholders.

LETTER FROM THE CHAIRMAN, PRESIDENT AND CEO

Dear Fellow Unitholders,

In 2021, COVID-19 continued to be part of our daily conversation. Travel bans, closures of essential businesses, quarantine periods and social distancing impacted our economy and disrupted the way we lived; but as the year progressed, we began to see the light at the end of the tunnel. Our 2021 Morguard REIT annual report demonstrates that the real estate sector is bouncing back.

There was accelerated economic growth in Canada during the second half of the year driving national employment higher. And the various real estate classes showed positive signs. Overall occupancy rates in the office sector have remained steady over the last year and are approximately the same as they were pre-COVID. Demand in the industrial property sector exceeded supply, with multiple bid scenarios common, along with higher rents. And retail sector market fundamentals stabilized, with leasing activity picking up and sales revenues increasing.

There are many indications that the Trust is successfully recovering. People are coming back to our offices and shoppers are coming back to our malls with reopenings taking place across our country.

The Trust's Net Asset Value stabilized in 2021, underlying the economic improvement that was taking place across the country. Fair value losses on real estate properties were \$61 million versus \$420 million in 2020. Same Asset Net Operating Income from our community strip centres rose by over 2% while enclosed centres in the West were generating sales that were almost back to pre-pandemic norms. Same Asset Net Operating Income for industrial properties increased a healthy 12.5%, with the figure for our office buildings stable except in Alberta where other economic factors are in play. And rent collections in all these sectors are essentially back to normal.

During the second year of the pandemic, we continued to respond quickly and effectively to protect the health and safety of our tenants, employees and visitors to our buildings. We used government-supplied tools such as the Canada Emergency Rent Subsidy (CERS) to support the financial health of our tenants during this challenging time.

Our FFO increased a solid 3% in 2021, principally from a recovery in retail and industrial assets. We are looking forward to growing our FFO and NOI over the next 12 months as our enclosed malls reopen and we begin to re-envision and enhance their merchandising mix and bring in more service retail. The Trust's strip centres will also continue to have positive impact on our bottom line thanks to their high occupancy and stable growth.



\$2.5B

VALUE OF
REAL ESTATE
PROPERTIES

27

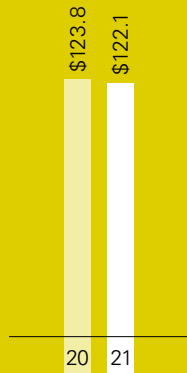
OFFICE AND
INDUSTRIAL
PROPERTIES

19

RETAIL PROPERTIES

NOI

In Millions of Dollars

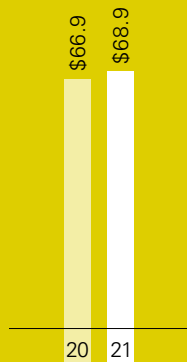


Our diversity by asset class, geography and quality has truly worked in our favour, as has our commitment to creating long-term value for our portfolio. Over the last two years, the Trust has undertaken over \$28 million in predevelopment and development activities, spreading the budget across 15 assets.

We have created pathways that better link some of our office buildings to transit and to the city core in both Ottawa and Calgary. We have remerchandised some of our retail centres to meet the needs of their surrounding communities by reconfiguring large vacancies left by stores like Target and Sears. And, we have started repositioning some of our finest commercial office assets such as Rice Howard Place (formerly Scotia Place) in Edmonton, Alberta and Place Innovation in Saint-Laurent, Quebec, to increase rental rates and occupancy. In addition, I am pleased to report that there are significant opportunities for intensification on some of our existing assets, including Burquitlam Place in Coquitlam, B.C.

FFO

In Millions of Dollars

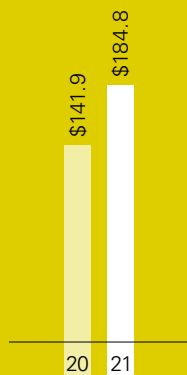


Financially, we are primed for success moving forward. Our real estate portfolio of 27 office and industrial properties and 19 retail assets in six Canadian provinces is worth \$2.5 billion. Funds From Operations (FFO) per unit this year was \$1.07 per share versus \$1.08 a year ago.

We are in a healthy liquidity position and are capable of financing future endeavours. Our liquidity is \$184.8 million versus \$141.9 million a year ago and we have an unencumbered pool of \$314.6 million. We completed a \$150 million public offering of convertible debentures which successfully transacted at \$159 million. We sold a community strip centre in London, Ontario. And in addition to our monthly \$0.02 unit/distribution, Morguard REIT declared a special distribution of \$0.115 per unit in response to the capital gains from the community strip centre sale.

LIQUIDITY

In Millions of Dollars



Looking forward, I see the solid long-term potential of the Trust. We are poised to create value for our portfolio by reimagining our current assets and by seizing any new opportunities that may become available in the future.

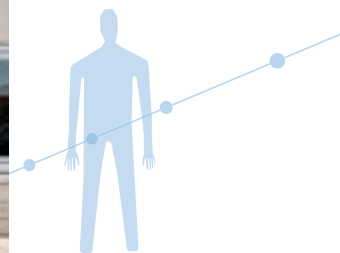
Thank you to our unitholders, employees and partners. I truly appreciate your confidence in Morguard REIT, and I look forward to having you with us in the years ahead.

Sincerely,

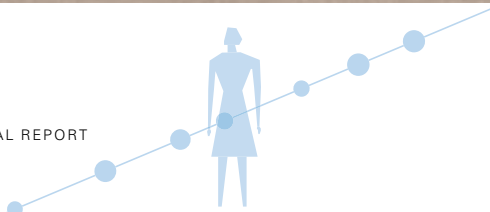
K. Rai Sahi
Chairman, President and Chief Executive Officer

THINK. LONG-TERM VALUE.

In real estate, forward-thinking investors often reap the greatest rewards. This applies particularly to those who invest in properties that have the potential to be redeveloped, remerchandised, re-envisioned and repositioned. This is what makes Morguard REIT such an attractive proposition.



PRAIRIE MALL, GRANDE PRAIRIE, AB

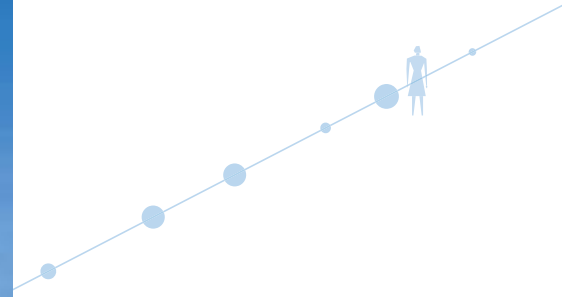




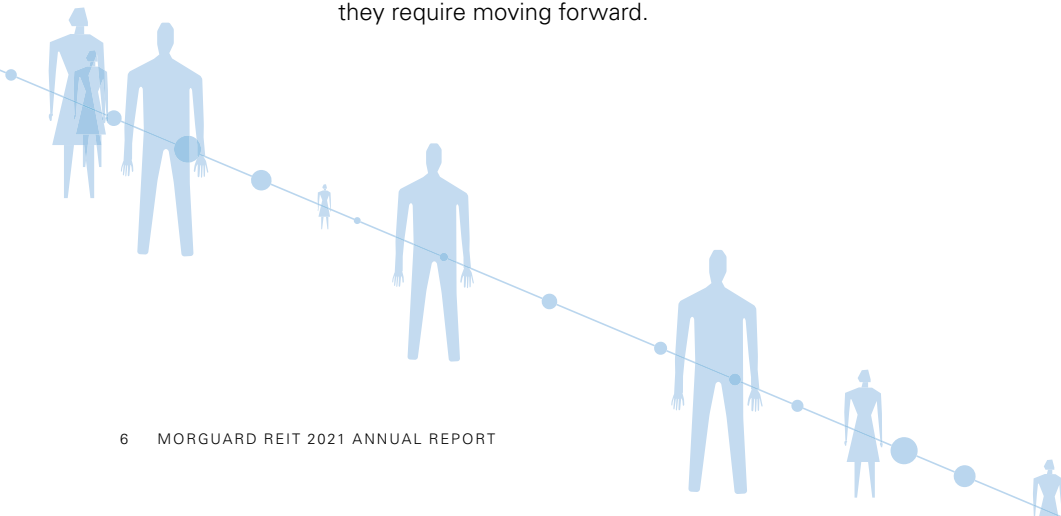
PETROLEUM PLAZA, EDMONTON, AB

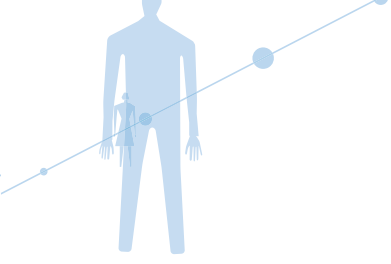


CHANCERY PLACE, VANCOUVER, BC



For over twenty years, our diverse asset base has protected us against short-term regional market fluctuations. And we have created value, by responding to the needs of communities and understanding what they require moving forward.





We believe that while real estate is concrete and solid, it can be reinvented and transformed. So, we reposition, renovate, upgrade, remerchandise and intensify our existing assets – and introduce sustainability initiatives – to ensure our tenants have access to what they need to work, shop and thrive.

Our high-quality assets are well-situated, offering the superior amenities people want. They include single and multi-tenant office properties in major urban centres, dominant enclosed regional shopping centres, neighbourhood unenclosed shopping centres in high-demand areas and choice industrial properties.

**WHILE REAL ESTATE
IS CONCRETE AND
SOLID, IT CAN BE
REINVENTED AND
TRANSFORMED**





OUR MEASURED APPROACH IS RESPECTED THROUGHOUT OUR INDUSTRY

Working alongside the network of real estate professionals within Morguard's management service team, we have the skills, financial acumen and clout we need moving forward.

A portfolio that is built for the future. A forward-thinking team that is ready to seize opportunities when they become available today. This is the capability that will allow us to achieve stable cash flow consistently over the long run.



ST. LAURENT, OTTAWA, ON

INTENSIFICATION

Working with the Morguard team, Morguard REIT has the skills and financial clout to plan, rezone and develop lands that are prime for intensification.

SHAPING BURQUITLAM, B.C.'S FUTURE BY INCREASING DENSITY



THINK.



RENOVATION

We upgrade building systems and finishes and enhance connectivity to meet the business goals of our tenants and make their lives easier.

CONNECTING HERITAGE PLACE TO TRANSIT

REMERCHANDISING

We enhance the retail mix within our enclosed shopping centres by reconfiguring their spaces and bringing in high-demand uses.

BUILDING TRAFFIC AT PINE CENTRE MALL



SOLID.



REPOSITIONING

We reposition properties to make them more attractive to both tenants and the public, increasing rental and occupancy rates.

ATTRACTING NEW TENANTS TO RICE HOWARD PLACE

SUSTAINABILITY

We implement green programs that make our properties better for our planet and we are committed to active stakeholder engagement and strong governance.

EARNING NUMEROUS AWARDS AND CERTIFICATIONS





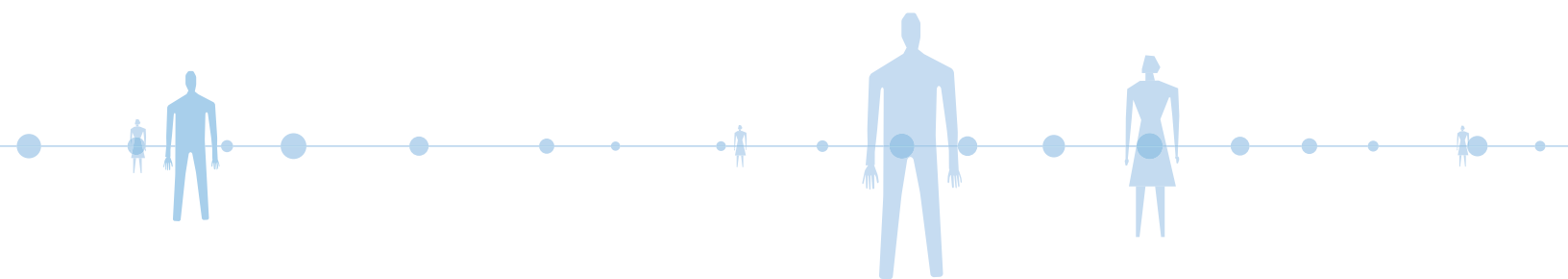
SOUTHDALE CENTRE, WINNIPEG, MB

**WE ARE
COMMITTED
TO THE HIGHEST
POSSIBLE
LEVEL OF ESG
COMPLIANCE**

In real estate, it is essential to think forward and to be adaptable to the times.

We will rezone to increase the density of some of our current assets to create more complete communities. Redefine spaces in our shopping centres so they work better for existing tenants and attract new ones. Add additional entertainment or service retail to attract new customers. Perform building upgrades in our office properties to ensure full occupancy. And make any crucial adjustments required as our tenants' needs change. All, to help ensure our long-term marketability and sustain our growth. And we are committed to the highest possible level of environmental, social and governance compliance, to create value at the property level.

Thinking forward to create consistent value over time. It is what Morguard REIT looks forward to doing for our unitholders, year after year.





HERITAGE PLACE, OTTAWA, ON

2021 FINANCIAL AND OPERATING HIGHLIGHTS

Morguard REIT is showing signs of being on the road to recovery, with the expectation of a return to pre-pandemic norms as restrictions are loosened across the country. At year end, the Trust is still experiencing continued pressure on retail rental rates across Canada and office vacancies in Alberta. However, further recovery is expected in 2022.

In 2021, Morguard continued to protect the health and safety of our tenants, employees and visitors to our buildings. And we helped our tenants stay strong financially. People are returning to our buildings, a trend we expect will increase as more reopenings occur and restrictions are loosened throughout the country.

SHAREHOLDER RESULTS

The mandate of Morguard REIT is to accumulate a Canadian portfolio of high-quality real estate assets. Then, to actively manage the portfolio to generate steady, dependable returns for unitholders through a stable and increasing cash flow, offering the potential for long-term capital appreciation.

In 2021, our debt to asset ratio decreased slightly to 52% and our monthly distribution per unit of \$0.02 has been reduced so that there is additional cash available to invest in the business and pay down the debt. The Trust also announced the completion of a previously announced public offering of \$150 million of convertible debentures and closing of an over-allotment option.

FINANCIAL RESULTS

Our Net Operating Income (NOI) was \$122.1 million compared to \$123.8 million for the same period. And occupancy rates have remained steady across all segments.

NOI BY ASSET CLASS

19%

RETAIL
COMMUNITY STRIP

31%

RETAIL
ENCLOSED

48%

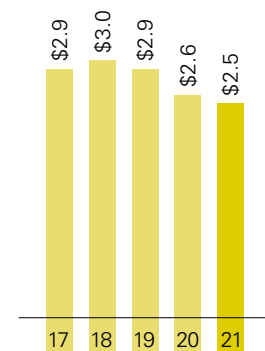
OFFICE

2%

INDUSTRIAL

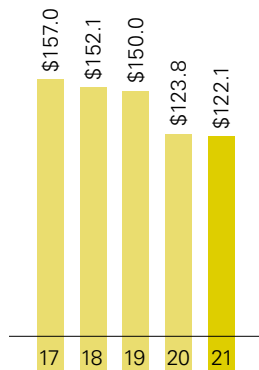
TOTAL ASSETS

In Billions of Dollars



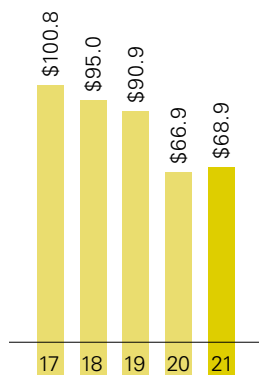
NOI

In Millions of Dollars

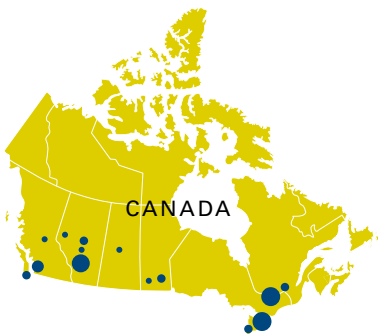


FFO

In Millions of Dollars



PORTFOLIO BY REGION



Funds From Operations (FFO) was up by 3% compared to a year ago, reaching \$68.9 million while Adjusted Funds From Operations (AFFO) remained flat at \$51.5 million. We had a significant reduction in bad debt expense in 2021 and are in a healthy liquidity position to take advantage of future opportunities. Thinking ahead, we believe that the Trust will continue to create value over the long term for our unitholders.

REAL ESTATE PORTFOLIO RESULTS

Morguard REIT's diversified portfolio (excluding properties held for sale), consists of 46 properties located in B.C. (14%), Alberta (25%), Saskatchewan (6%), Manitoba (8%), Ontario (41%) and Québec (6%). Our properties have a combined total of 8.3 million SF in leasable area and maintain an overall occupancy rate of 91% as well as a tenant retention rate of 83%.

Our office portfolio of 23 properties is balanced across the country. Our retail portfolio of 11 properties in Western Canada maintained a high level of occupancy during 2021, while our industrial portfolio in the region was very active on the leasing front. The upcoming loosening of restrictions will see all the Trust's asset classes moving towards achieving full recovery.

CREATING VALUE

Throughout its history, Morguard REIT has created value by enhancing its existing portfolio. In the last two years, it invested \$28 million in pre-development or development projects for 15 properties, with an eye towards building sustainability and increasing shareholder value.

2021 FINANCIAL AND OPERATING HIGHLIGHTS

We are creating value through intensification of our existing assets including: Burquitlam Plaza, a 7.8-acre site in B.C. currently occupied by a 68,000 SF retail plaza. We have the potential to build six residential mixed-use towers that could include upwards of 2,000 units, 85,000 SF of commercial space, with a gross building area of 1.8 million SF. An application for rezoning has been submitted.

Morguard's team of leasing professionals is continually looking at properties to determine the best fit for tenants and engaging in repositioning exercises that make our assets more appealing. Right now, we are repositioning Rice Howard Place in Edmonton, an initiative we began when the co-ownership group assumed full ownership of the property from Scotiabank.

Remerchandising can bring in much needed service retail to enclosed malls. It is what we are doing at The Centre at Circle and Eight, Heritage Town Centre, Pine Centre Mall, Cambridge Centre, Shoppers Mall, St. Laurent Centre, Centrepoint Mall and Parkland Mall.

Renovating office properties can add value by making them more appealing and sustainable. This can involve upgrading building systems and finishes, implementing green and LEED programs, or improving connectivity. We are currently upgrading common areas at 111 Dunsmuir (Vancouver) and updating the lobby area at 200 Yorkland (Toronto), as well as connecting two of our buildings to the +15 Skyway in Calgary.

On occasion, Morguard REIT will dispose of properties that have achieved their maximum value. In 2021, we disposed of a non-strategic asset in London, Ontario. This 46,500 SF retail strip centre was sold for \$15 million, realizing a fair value gain of over 25%.



BURQUITLAM PLAZA
BUILDING MASSING
COQUITLAM, B.C.



BURQUITLAM PLAZA
DESIGN RENDERING
COQUITLAM, B.C.

FINANCIAL HIGHLIGHTS

IN THOUSANDS OF DOLLARS, EXCEPT PER UNIT AMOUNTS

AS AT DECEMBER 31	2017	2018	2019	2020	2021
Revenue from real estate properties	\$278,754	\$276,473	\$273,074	\$253,764	\$241,440
Net operating income	\$157,025	\$152,078	\$149,961	\$123,778	\$122,129
Fair value losses on real estate properties	(\$31,225)	(\$18,602)	(\$73,850)	(\$419,766)	(\$60,974)
Net (loss)/income	\$67,306	\$73,015	\$14,840	(\$357,419)	\$4,885
Funds from operations ¹	\$100,766	\$94,992	\$90,894	\$66,924	\$68,944
Adjusted funds from operations ¹	\$74,983	\$69,394	\$66,063	\$51,564	\$51,488
Net (loss)/income – basic	\$1.11	\$1.20	\$0.24	(\$5.75)	\$0.08
Net (loss)/income – diluted	\$1.05	\$1.12	\$0.24	(\$5.75)	\$0.08
Funds from operations – basic ¹	\$1.66	\$1.56	\$1.50	\$1.08	\$1.07
Funds from operations – diluted ¹	\$1.57	\$1.48	\$1.43	\$1.06	\$1.05
Adjusted funds from operations – basic ¹	\$1.24	\$1.14	\$1.09	\$0.83	\$0.80
Adjusted funds from operations – diluted ¹	\$1.20	\$1.12	\$1.07	\$0.83	\$0.80
Distributions per unit	\$0.96	\$0.96	\$0.96	\$0.64	\$0.375
Payout ratio – Adjusted funds from operations ¹	77.4%	84.2%	88.1%	77.1%	46.9%
Weighted average number of units as at year-end (in thousands) – Basic	60,622	60,705	60,711	62,108	64,141

¹ The following represents a non-GAAP financial measure/ratio that does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. This measure should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. Additional information on this non-GAAP financial measure/ratio can be found under the section Part I, “Specified Financial Measures” in the Trust’s 2021 MD&A.

BALANCE SHEETS

IN THOUSANDS OF CANADIAN DOLLARS

AS AT DECEMBER 31	2021	2020
ASSETS		
Non-current assets		
Real estate properties	\$2,451,301	\$2,499,955
Right-of-use asset	159	242
Equity-accounted investment	18,578	20,496
	2,470,038	2,520,693
Current assets		
Amounts receivable	12,269	27,756
Prepaid expenses and other	365	637
Cash	11,270	8,647
	23,904	37,040
Total assets	\$2,493,942	\$2,557,733
LIABILITIES AND UNITHOLDERS' EQUITY		
Non-current liabilities		
Mortgages payable	\$920,089	\$918,256
Convertible debentures	147,908	—
Lease liabilities	16,550	10,862
Accounts payable and accrued liabilities	5,258	5,230
	1,089,805	934,348
Current liabilities		
Mortgages payable	205,568	204,464
Convertible debentures	—	172,805
Lease liabilities	168	131
Accounts payable and accrued liabilities	38,887	40,910
Morguard loan payable	—	18,000
Bank indebtedness	7,526	29,417
	252,149	465,727
Total liabilities	1,341,954	1,400,075
Unitholders' equity	1,151,988	1,157,658
	\$2,493,942	\$2,557,733

STATEMENTS OF INCOME/(LOSS) AND COMPREHENSIVE INCOME/(LOSS)

IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER UNIT AMOUNTS

FOR THE YEAR ENDED DECEMBER 31	2021	2020
Revenue from real estate properties	\$241,440	\$253,764
Property operating costs		
Property operating expenses	(62,397)	(74,171)
Property taxes	(48,624)	(47,822)
Property management fees	(8,290)	(7,993)
Net operating income	122,129	123,778
Interest expense	(53,281)	(56,376)
General and administrative	(3,845)	(3,587)
Amortization expense	(83)	(82)
Other income	2,017	—
Fair value losses on real estate properties	(60,974)	(419,766)
Net loss from equity-accounted investment	(1,078)	(1,386)
Net income/(loss) and comprehensive income/(loss)	\$4,885	(\$357,419)
NET INCOME/(LOSS) PER UNIT		
Basic	\$0.08	(\$5.75)
Diluted	\$0.08	(\$5.75)

STATEMENTS OF UNITHOLDERS' EQUITY

IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT NUMBER OF UNITS

	NUMBER OF UNITS	ISSUE OF UNITS	RETAINED EARNINGS	EQUITY COMPONENT OF CONVERTIBLE DEBENTURES	CONTRIBUTED SURPLUS	TOTAL UNITHOLDERS' EQUITY
Unitholders' equity, January 1, 2020	60,735,539	\$612,680	\$918,330	\$4,594	\$1,864	\$1,537,468
Repurchase of units	(197,300)	(1,944)	991	—	—	(953)
Net loss	—	—	(357,419)	—	—	(357,419)
Distributions to unitholders	—	—	(21,438)	—	—	(21,438)
Issue of units – DRIP ¹	3,586,976	18,174	(18,174)	—	—	—
Unitholders' equity, December 31, 2020	64,125,215	628,910	522,290	4,594	1,864	1,157,658
2016 Debentures redeemed	—	—	—	(4,594)	4,594	—
2021 Debentures issued	—	—	—	6,879	—	6,879
Net income	—	—	4,885	—	—	4,885
Distributions to unitholders	—	—	(17,434)	—	—	(17,434)
Special distribution in units	1,183,784	6,416	(6,416)	—	—	—
Consolidation of units	(1,183,784)	—	—	—	—	—
Issue of units – DRIP¹	35,882	205	(205)	—	—	—
Unitholders' equity, December 31, 2021	64,161,097	\$635,531	\$503,120	\$6,879	\$6,458	\$1,151,988

1. Distribution Reinvestment Plan ("DRIP").

STATEMENTS OF CASH FLOWS

IN THOUSANDS OF CANADIAN DOLLARS

FOR THE YEAR ENDED DECEMBER 31	2021	2020
OPERATING ACTIVITIES		
Net income/(loss)	\$4,885	(\$357,419)
Add items not affecting cash	65,909	424,830
Distributions from equity-accounted investment, net	840	1,823
Additions to tenant incentives and leasing commissions	(4,249)	(3,490)
Net change in non-cash operating assets and liabilities	12,802	(18,825)
Cash provided by operating activities	80,187	46,919
FINANCING ACTIVITIES		
Proceeds from new mortgages	208,959	205,665
Financing costs on new mortgages	(896)	(783)
Repayment of mortgages		
Repayments on maturity	(169,298)	(113,818)
Principal instalment repayments	(36,654)	(37,348)
Payment of lease liabilities, net	(153)	(123)
Redemption of 2016 Debentures	(175,000)	—
Net proceeds from 2021 Debentures	154,787	—
Repayment of bank indebtedness, net	(21,891)	(35,741)
Repayment of Morguard loan payable, net	(18,000)	(14,500)
Distributions to unitholders	(16,472)	(21,438)
Units repurchased for cancellation	—	(953)
Cash used in financing activities	(74,618)	(19,039)
INVESTING ACTIVITIES		
Capital expenditures on real estate properties	(11,087)	(9,650)
Expenditures on properties under development	(5,964)	(22,166)
Acquisition of real estate properties	(395)	—
Proceeds from sale of real estate properties, net	14,500	6,800
Cash used in investing activities	(2,946)	(25,016)
Net change in cash	2,623	2,864
Cash, beginning of period	8,647	5,783
Cash, end of period	\$11,270	\$8,647

2021 REAL ESTATE PORTFOLIO

Morguard REIT owns a diversified real estate portfolio of 46 commercial properties located in six provinces across Canada. The portfolio spans real estate classes from well-located high-quality office properties in major urban centres to dominant regional enclosed shopping centres to neighbourhood and community shopping centres to a small group of industrial properties.

RETAIL PROPERTIES

PROPERTY	CITY	PROV.	OWNERSHIP INTEREST (%)	TOTAL AREA (SF)	OWNERSHIP AREA (SF)	OCCUPANCY (%)	TOP TENANTS
Burquitlam Plaza	Coquitlam	BC	100	68,000	68,000	95	Big Box Outlet Store, Bosley's Pet Food Plus, CIBC, Dollarama, Shoppers Drug Mart
Pine Centre Mall ②	Prince George	BC	100	446,500	446,500	97	B.C. Liquor, Dollarama, Shoppers Drug Mart, Sport Chek, Winners/Home Sense
Shelbourne Plaza	Victoria	BC	100	57,000	57,000	100	A&W, Fairway Market, Liquor Distribution Branch, Scotiabank, TD Canada Trust
Airdrie Co-op Centre	Airdrie	AB	100	70,000	70,000	100	Co-Op Grocery Store, Co-Op Liquor Store, Orangetheory Fitness, TD Canada Trust
2649 Main Street S	Airdrie	AB	100	44,000	44,000	100	Jiffy Lube, Peavey Mart, Tim Hortons
Heritage Towne Centre	Calgary	AB	100	131,000	131,000	100	Ashley Furniture, Boston Pizza, Dollarama, Perfect Home, Structube
Prairie Mall ③	Grande Prairie	AB	50	263,000	131,500	88	Ardene, Dollarama, Marshalls, Shoppers Drug Mart, Urban Planet
Parkland Mall ③	Red Deer	AB	100	444,500	444,500	86	Ardene, GoodLife Fitness, Staples, Walmart, Winners
The Centre	Saskatoon	SK	100	499,000	499,000	94	Best Buy, Cineplex, GoodLife Fitness Centres, Saskatoon Co-op Food Store, Sport Chek
Shoppers Mall ②	Brandon	MB	100	361,000	361,000	94	Capitol Theatre, GoodLife Fitness, Shoppers Drug Mart, Sobeys Extra, Sport Chek
Charleswood Centre	Winnipeg	MB	100	123,000	123,000	99	Boston Pizza, Dollarama, Liquor Mart, Safeway, Shoppers Drug Mart
Southdale Centre	Winnipeg	MB	100	175,500	175,500	92	Bank of Montreal, CIBC, Dollarama, Pharma Plus, Walmart
Aurora Centre	Aurora	ON	100	304,000	304,000	100	Canadian Tire, Cineplex Odeon, GoodLife Fitness, Petsmart, Sobeys
Cambridge Centre ①	Cambridge	ON	100	620,000	620,000	92	Galaxy, Hudson's Bay, Kingpin Cambridge, Marshalls, Sport Chek
Market Square	Kanata	ON	100	68,000	68,000	100	Anytime Fitness, Bulk Barn, Farm Boy, LCBO, TD Canada Trust
Kingsbury Centre	Mississauga	ON	100	70,000	70,000	100	Buduhnist Credit Union, Cordi Bakery, Longo's, Bristol On Rathburn, Shoppers Drug Mart
Hampton Park Plaza	Ottawa	ON	100	102,000	102,000	98	East Side Mario's, Food Basics, Ontario Breast Screening Program, Pharma Plus, Scotiabank
St. Laurent	Ottawa	ON	100	797,000	797,000	94	GoodLife Fitness, Hudson's Bay, Intact Financial Corp, Sport Chek, Toys "R" Us
Woodbridge Square	Vaughan	ON	50	112,000	56,000	95	Cucina Bella, Nations Fresh Foods, Scotiabank, Scruples Salon & Spa, Wellmedica
Total Retail				4,755,500	4,568,000	94	

CERTIFICATIONS

① BOMA Platinum ② BOMA Gold ③ BOMA Certified

OFFICE PROPERTIES

PROPERTY	CITY	PROV.	OWNERSHIP INTEREST (%)	TOTAL AREA (SF)	OWNERSHIP AREA (SF)	OCCUPANCY (%)	TOP TENANTS
111 Dunsmuir ❶	Vancouver	BC	100	222,000	222,000	84	Famoso Italian Pizzeria & Bar, Fatburger, Stantec Consulting Ltd, Wood Canada Limited
Chancery Place ❹	Vancouver	BC	100	142,500	142,500	98	AUBE Hair Salon, Ministry of Citizens' Services, Modern Wellness Bar, Studeo 55 Fitness Inc.
Seymour Place	Victoria	BC	100	235,500	235,500	100	Ministry of Citizens' Services
505 3rd Street SW ❹ ❷	Calgary	AB	50	142,000	71,000	69	Barrel Oil Corp., Bank of China, Canadian Energy Pipeline Association, Morguard Investments Ltd
7315 8th Street NE	Calgary	AB	100	19,500	19,500	–	Vacant
Centre 810	Calgary	AB	100	77,500	77,500	89	Canadian Cattle Identification Agency, Skyplan Services Ltd., Tektelic Communications Inc.
Citadel West	Calgary	AB	100	78,500	78,500	100	CH2M Hill Canada Limited
Deerport Centre ❸	Calgary	AB	100	49,000	49,000	42	Arcadis Canada Inc., Plexina Inc., Sky Café Ltd., The Western Institute of Emergency Education
Duncan Building ❸	Calgary	AB	100	81,000	81,000	100	RCMP
National Bank Building	Calgary	AB	100	43,500	43,500	100	National Bank of Canada
207 and 215 9th Avenue SW ❶ ❷ ❸	Calgary	AB	100	637,000	637,000	98	Athabasca Oil Corp., Bonavista Energy Corp., Obsidian Energy Ltd., Spartan Delta Corp.
Petroleum Plaza ❸	Edmonton	AB	50	304,000	152,000	98	Alberta Infrastructure, S. Withanachchi Prof Corp, Servus Credit Union Ltd, Vision Travel
Rice Howard Place ❷ ❸ (formerly Scotia Place)	Edmonton	AB	20	610,000	122,000	44	APEGA, Duncan and Craig, Grant Thornton, Public Works of Canada, Weir Bowen
301 Laurier Avenue	Ottawa	ON	50	26,000	13,000	19	Moores The Suit People
525 Coventry	Ottawa	ON	100	42,500	42,500	100	Assent Compliance Inc.
Green Valley Office Park ❸	Ottawa	ON	100	123,000	123,000	72	Canadian Physio, The Ottawa Fertility Centre Inc., The Ottawa Hospital
Heritage Place ❸	Ottawa	ON	50	217,000	108,500	84	Her Majesty The Queen, HSBC Bank Canada, The Dominion of Canada General Insurance
St. Laurent Business Centre ❸	Ottawa	ON	100	88,500	88,500	16	CBI Ottawa Limited Partnership, Catholic Christian Outreach, TW Insurance
Standard Life ❸	Ottawa	ON	50	377,000	188,500	98	Her Majesty the Queen
Time Square ❸	Ottawa	ON	100	112,000	112,000	71	BBB Urban Developments Ottawa Inc., Embassy of Kuwait, GRC Architects Inc., Her Majesty The Queen
200 Yorkland ❹	Toronto	ON	100	150,500	150,500	86	AG Simpson Automotive Inc., Ferring Inc., Investors Group, Versa Systems Ltd, Vertex Data LP
77 Bloor Street West ❶ ❸ ❸	Toronto	ON	50	396,000	198,000	96	Avana Capital Corporation, Harry Rosen, Realstar Management, The Toronto Dominion Bank, Sephora
Place Innovation	Saint-Laurent	QC	50	896,000	448,000	93	Bombardier Inc., AJW Technique, Accedian Networks Inc., Amdocs, Ciena Canada Inc.
Total Office				5,070,500	3,403,500	87	

CERTIFICATIONS

❶ LEED Gold ❷ LEED Silver ❸ BOMA Platinum ❹ BOMA Gold ❺ BOMA Silver ❻ WiredScore Gold ❼ Energy Star ❽ 2021 HOOPP LEAP Award

* Pending

INDUSTRIAL PROPERTIES

PROPERTY	CITY	PROV.	OWNERSHIP INTEREST (%)	TOTAL AREA (SF)	OWNERSHIP AREA (SF)	OCCUPANCY (%)	TOP TENANTS
1875 Leslie	Toronto	ON	100	52,000	52,000	93	Body and Soul Fitness Corp, Goose and Firkin, Movie Poster Warehouse, Poolmaster Canada
2041-2151 McCowan	Toronto	ON	100	197,500	197,500	95	Every Green International Inc., Louise Kool & Galt Limited, Tuxmat Inc., Yao Yee Trading Inc.
279 Yorkland	Toronto	ON	100	18,000	18,000	100	ARZ Group of Companies Ltd.
285 Yorkland	Toronto	ON	100	25,000	25,000	100	The Mitchell Partnership Inc.
Total Industrial				292,500	292,500	95	
Total				10,118,500	8,264,000	91	

CORPORATE INFORMATION

BOARD OF TRUSTEES

Bart S. Munn^{1,2}
Corporate Director

Timothy J. Murphy^{1,3}
Partner, McMillan LLP

K. Rai Sahi
Chairman and
Chief Executive Officer
Morguard Corporation

Antony K. Stephens^{1,3}
Corporate Director

Donald W. Turple^{1,2}
Real Estate Consultant

Timothy J. Walker^{1,2,3}
Corporate Director

1 Independent Trustee

2 Audit Committee

3 Human Resources and
Governance Committee

EXECUTIVE DIRECTORY

K. Rai Sahi
Chairman, President and
Chief Executive Officer

Andrew Tamlin
Chief Financial Officer

Beverley G. Flynn
Senior Vice President,
General Counsel
and Secretary

Paul Miatello
Senior Vice President

Angela Sahi
Executive Vice President

INVESTOR INFORMATION

Head Office
Morguard REIT
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Suite 1000
Mississauga, ON
L5B 1M3
T 905-281-4800 or
1-800-928-6255
info@morguard.com

Listing
Toronto Stock Exchange

Symbol
MRT.UN
MRT.DB

Eligibility
RRSP
RRIF
DPSP
RPP
TFSA

Auditors
Ernst & Young LLP

Principal Bankers
Bank of Montreal,
Toronto-Dominion Bank

Transfer Agent
Computershare Trust
Company 1-800-564-6253
www.computershare.com

Investor Relations
Visit our website at
www.morguard.com or
view our filings on SEDAR
at www.sedar.com.

For additional information, contact:

Andrew Tamlin
Chief Financial Officer

Beverley G. Flynn
Senior Vice President,
General Counsel and Secretary

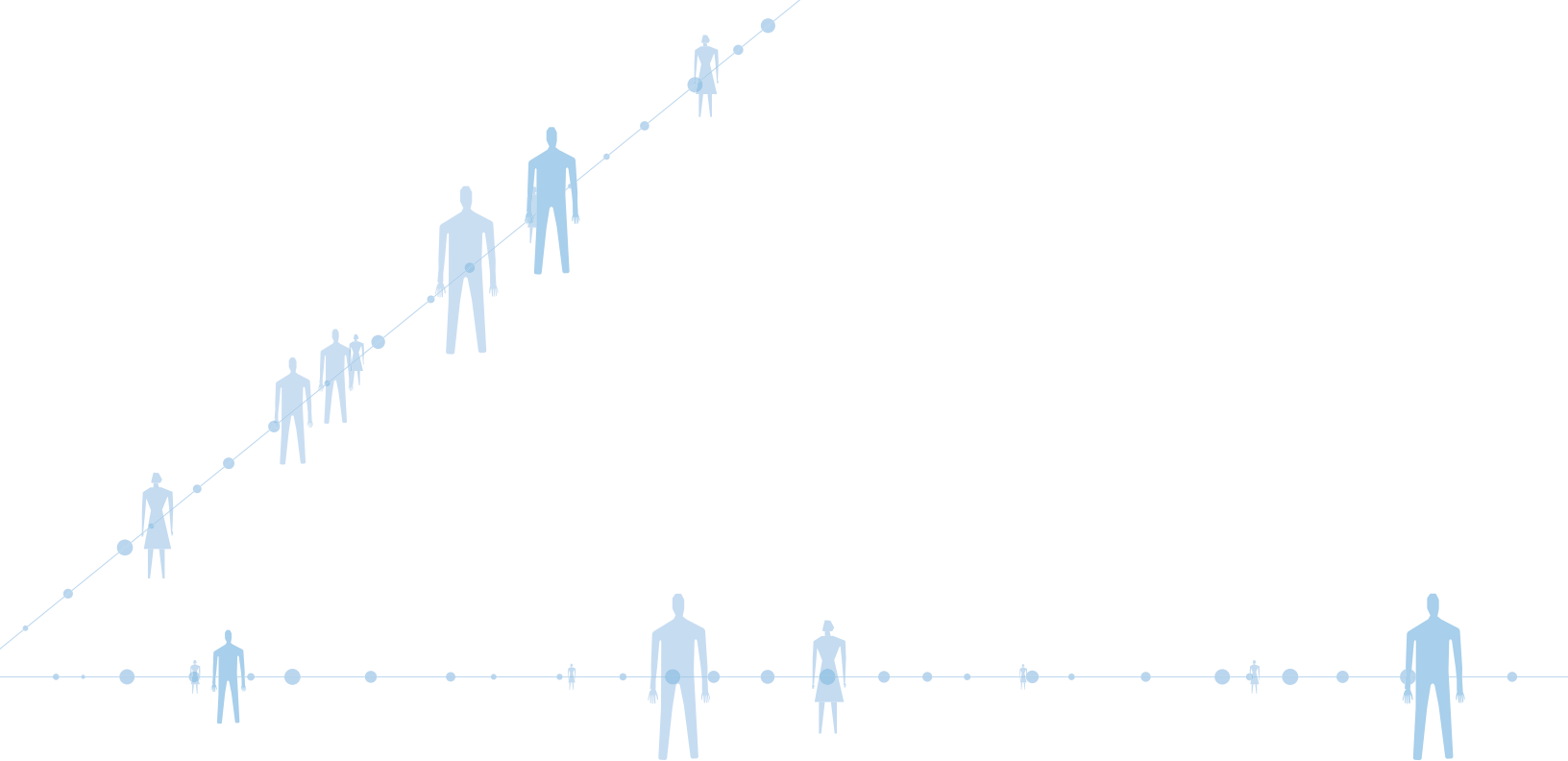
T 905-281-4800
info@morguard.com

MORGUARD REIT (TSX:MRT.UN)

Morguard Real Estate Investment Trust is a closed-end trust listed on the Toronto Stock Exchange (TSX) under the symbol MRT.UN. The Trust had total real estate assets of \$2.5 billion as at December 31, 2021.

The mandate of the Trust is to accumulate a Canadian portfolio of high-quality real estate assets – then actively manage the portfolio to generate steady, dependable returns for unitholders, through a stable and increasing cash flow. This offers the potential for long-term capital appreciation.

The Trust owns a diversified real estate portfolio of 46 commercial properties consisting of 8.3 million square feet of gross leasable area located in six provinces. The real estate portfolio primarily includes well-located, high-quality office properties in major urban centres, large enclosed full-scale regional shopping malls that are dominant in their respective markets, neighbourhood and community shopping centres and a small group of industrial properties.



The selected annual financial information in the 2021 Annual Report highlights certain key metrics for the Trust. As a result, this report should be read in conjunction with the Trust's Consolidated Financial Statements for the year ended December 31, 2021, related Management's Discussion and Analysis ("MD&A") and the Annual Information Form ("AIF"). These documents are available on the Trust's website at www.morguard.com. All continuous disclosure documents required by securities regulators are also filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed electronically at www.sedar.com.

SPECIFIED FINANCIAL MEASURES

The Trust reports its financial results in accordance with IFRS. However, this MD&A also uses specified financial measures that are not defined by IFRS, which follow the disclosure requirements established by National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure. Specified financial measures are categorized as non-GAAP financial measures, non-GAAP ratios, and other financial measures, which are capital management measures, supplementary financial measures, and total of segments measures.

NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. These measures should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. The Trust's management uses these measures to aid in assessing the Trust's underlying core performance and provides these additional measures so that investors may do the same. Management believes that the non-GAAP financial measures described below, which supplement the IFRS measures, provide readers with a more comprehensive understanding of management's perspective on the Trust's operating results and performance. The following discussion describes the non-GAAP financial measures the Trust uses in evaluating its operating results:

FUNDS FROM OPERATIONS ("FFO")

FFO is a non-GAAP measure widely used as a real estate industry standard that supplements net income and evaluates operating performance but is not indicative of funds available to meet the Trust's cash requirements. FFO can assist with comparisons of the operating performance of the Trust's real estate between periods and relative to other real estate entities. FFO is computed by the Trust in accordance with the current definition of the Real Property Association of Canada ("REALpac") and is defined as net income adjusted for fair value changes on real estate properties and gains/(losses) on the sale of real estate properties. The Trust considers FFO to be a useful measure for reviewing its comparative operating and financial performance. A reconciliation of net income to FFO is presented under Part III, "Funds from Operations and Adjusted Funds from Operations".

ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

AFFO is a non-GAAP measure that was developed to be a recurring economic earnings measure for real estate entities. The Trust presents AFFO in accordance with the current definition of the REALpac. The Trust defines AFFO as FFO adjusted for straight-line rent and productive capacity maintenance expenditures ("PCME"). AFFO should not be interpreted as an indicator of cash generated from operating activities as it does not consider changes in working capital. A reconciliation of FFO to AFFO is presented under Part III, "Funds from Operations and Adjusted Funds from Operations".

NON-GAAP RATIOS

Non-GAAP ratios do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. These measures should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. The Trust's management uses these measures to aid in assessing the Trust's underlying core performance and provides these additional measures so that investors may do the same. Management believes that the non-GAAP ratios described below provide readers with a more comprehensive understanding of management's perspective on the Trust's operating results and performance.

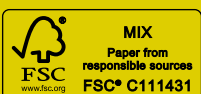
The following discussion describes the non-GAAP ratios the Trust uses in evaluating its operating results:

FFO/AFFO/ACFO PAYOUT RATIO

The Trust calculates its payout ratios by dividing the distributions per common unit by FFO/AFFO/ACFO per unit over the same period. Management uses these payout ratios to measure the Trust's ability to pay distributions.

**MORGUARD REAL ESTATE
INVESTMENT TRUST**

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