



## FOR IMMEDIATE RELEASE

### Morguard Real Estate Investment Trust Announces 2025 Second Quarter Results

MISSISSAUGA, ON (July 30, 2025) – Morguard Real Estate Investment Trust (“the Trust”) (TSX: MRT.UN) today is pleased to announce its 2025 Second Quarter Results.

In thousands of dollars, except per-unit amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue from real estate properties	\$58,301	\$64,046	\$118,648	\$128,444
Net operating income	25,661	31,832	51,361	62,737
Fair value losses on real estate properties	(10,683)	(16,242)	(31,569)	(66,465)
Net loss	(1,698)	(2,226)	(13,363)	(39,001)
Funds from operations <sup>1</sup>	9,269	14,108	18,431	27,527
Adjusted funds from operations <sup>1,2</sup>	217	8,033	1,024	15,442
<b>Amounts presented on a per unit basis</b>				
Net loss – basic	(\$0.03)	(\$0.03)	(\$0.21)	(\$0.61)
Net loss – diluted	(\$0.03)	(\$0.03)	(\$0.21)	(\$0.61)
Funds from operations – basic <sup>1</sup>	\$0.14	\$0.22	\$0.29	\$0.43
Funds from operations – diluted <sup>1</sup>	\$0.13	\$0.19	\$0.27	\$0.37
Adjusted funds from operations – basic <sup>1,2</sup>	\$—	\$0.12	\$0.02	\$0.24
Adjusted funds from operations – diluted <sup>1,2</sup>	\$—	\$0.12	\$0.02	\$0.23

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 MD&A section Part I, "Specified Financial Measures".

2. The Trust uses normalized productive capacity maintenance expenditures to calculate adjusted funds from operations.

## SELECTED FINANCIAL INFORMATION

The table below sets forth selected financial data relating to the Trust's fiscal three and six months ended June 30, 2025, and 2024. This financial data is derived from the Trust's condensed consolidated statements which are prepared in accordance with IFRS.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Revenue from real estate properties	\$58,301	\$64,046	(9.0%)	\$118,648	\$128,444	(7.6%)
Property operating expenses	(18,264)	(17,939)	1.8%	(37,919)	(36,348)	4.3%
Property taxes	(12,391)	(12,080)	2.6%	(25,317)	(24,946)	1.5%
Property management fees	(1,985)	(2,195)	(9.6%)	(4,051)	(4,413)	(8.2%)
<b>Net operating income</b>	<b>25,661</b>	<b>31,832</b>	<b>(19.4%)</b>	<b>51,361</b>	<b>62,737</b>	<b>(18.1%)</b>
Interest expense	(15,983)	(17,243)	(7.3%)	(31,997)	(34,119)	(6.2%)
General and administrative	(961)	(922)	4.2%	(1,921)	(1,946)	(1.3%)
Other items	11	—	—%	23	—	—%
Fair value losses on real estate properties	(10,683)	(16,242)	(34.2%)	(31,569)	(66,465)	(52.5%)
Net income from equity-accounted investment	257	349	(26.4%)	740	792	(6.6%)
<b>Net loss</b>	<b>(\$1,698)</b>	<b>(\$2,226)</b>	<b>(23.7%)</b>	<b>(\$13,363)</b>	<b>(\$39,001)</b>	<b>(65.7%)</b>

## CONSOLIDATED OPERATING HIGHLIGHTS

The following is an analysis of net operating income by asset type:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Enclosed regional centres	\$9,926	\$10,878	(8.8%)	\$19,074	\$21,049	(9.4%)
Community strip centres	5,073	5,514	(8.0%)	10,532	11,315	(6.9%)
<b>Subtotal – retail</b>	<b>14,999</b>	<b>16,392</b>	<b>(8.5%)</b>	<b>29,606</b>	<b>32,364</b>	<b>(8.5%)</b>
Single-/dual-tenant buildings	7,581	8,066	(6.0%)	14,701	16,155	(9.0%)
Multi-tenant buildings	2,034	1,940	4.8%	3,848	3,843	0.1%
Penn West Plaza	98	4,693	(97.9%)	1,385	9,116	(84.8%)
<b>Subtotal – office</b>	<b>9,713</b>	<b>14,699</b>	<b>(33.9%)</b>	<b>19,934</b>	<b>29,114</b>	<b>(31.5%)</b>
Industrial	949	741	28.1%	1,821	1,259	44.6%
<b>Net operating income</b>	<b>\$25,661</b>	<b>\$31,832</b>	<b>(19.4%)</b>	<b>\$51,361</b>	<b>\$62,737</b>	<b>(18.1%)</b>

The decrease in enclosed regional centres net operating income for the six months ended June 30, 2025, is due to increases in bad debt expense of \$1.0 million, including Comark Holdings Inc. ("Comark") and The Hudson's Bay Company ("The Bay"), coupled with a decrease of \$0.6 million in percentage rent. Bad debt expense for the six months ended June 30, 2024, was a recovery in the amount of \$0.3 million.

The decrease in community strip centres net operating income for the six months ended June 30, 2025, is due to the sale of Heritage Towne Centre during the second quarter of 2024.

The decrease in single-/dual tenant buildings net operating income for the six months ended June 30, 2025, is due to decreases in basic rent of \$0.4 million, increased vacancy costs of 0.7 million, stemming from a renewal at one of the Trust's BC properties, which included the downsizing of a tenant, coupled with lower lease cancellation fees of \$0.7 million at the Trust's Quebec property.

The decrease in Penn West Plaza net operating income for the six months ended June 30, 2025, is due to lower revenue of \$7.7 million stemming from the expiry of the Obsidian Energy lease on February 1, 2025, and the reset of the above-market rents. The decrease at Penn West comprises \$5.0 million in basic rent, \$1.8 million in vacancy costs, and \$0.9 million in recoveries from tenants.

The increase in industrial net operating income for the six months ended June 30, 2025, is due to increased basic rent at one of the Trust's industrial properties, as well as increased occupancy.

Revenue from real estate properties includes contracted rent from tenants along with recoveries of property expenses (including property taxes).

The following is an analysis of revenue from real estate properties by segment:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Industrial	\$1,327	\$1,113	19.2%	\$2,702	\$2,108	28.2%
Office – Single-/dual-tenant buildings	14,581	14,787	(1.4%)	28,697	29,868	(3.9%)
Office – Multi-tenant buildings	6,036	6,144	(1.8%)	12,622	12,517	0.8%
Office – Penn West Plaza	2,331	7,087	(67.1%)	6,104	14,142	(56.8%)
Retail – Community strip centres	8,379	8,882	(5.7%)	17,342	18,536	(6.4%)
Retail – Enclosed regional centres	25,647	26,033	(1.5%)	51,181	51,273	(0.2%)
<b>Total</b>	<b>\$58,301</b>	<b>\$64,046</b>	<b>(9.0%)</b>	<b>\$118,648</b>	<b>\$128,444</b>	<b>(7.6%)</b>

The following is an analysis of revenue from real estate properties by revenue type:

For the three months ended June 30,	2025	2024	Variance
Rental revenue	\$34,220	\$39,401	(\$5,181)
CAM recoveries	12,066	12,332	(266)
Property tax and insurance recoveries	9,139	9,745	(606)
Other revenue and lease cancellation fees	829	1,305	(476)
Parking revenue	1,427	1,463	(36)
Amortized rents	620	(200)	820
	<b>\$58,301</b>	<b>\$64,046</b>	<b>(\$5,745)</b>

For the six months ended June 30,	2025	2024	Variance
Rental revenue	\$69,785	\$78,567	(\$8,782)
CAM recoveries	24,902	25,303	(401)
Property tax and insurance recoveries	18,978	19,741	(763)
Other revenue and lease cancellation fees	1,837	2,603	(766)
Parking revenue	2,777	2,794	(17)
Amortized rents	369	(564)	933
	<b>\$118,648</b>	<b>\$128,444</b>	<b>(\$9,796)</b>

Property operating expenses include costs related to interior and exterior maintenance, insurance and utilities. Property operating expenses for the three months ended June 30, 2025, increased 1.8% to \$18.3 million from \$17.9 million for the same period in 2024. This increase is primarily due to higher repairs and maintenance expenses in the enclosed mall asset class.

Net operating income for the three months ended June 30, 2025, decreased 19.4% as compared to 2024. This decrease results mainly from lower revenue of \$4.6 million at Penn West Plaza stemming from the expiry of the Obsidian Energy lease on February 1, 2025, and the reset of the above-market rents. The remaining decrease in NOI is due to increased vacancy costs of \$1.0 million, mostly in the office asset class, coupled with decreased income of \$0.4 million from the sale of Heritage Towne Centre in the second quarter of 2024.

Interest expense for the three months ended June 30, 2025, decreased 7.3% vs the same period in 2024. This decrease is primarily due to lower interest rates on both variable and new fixed rate debt, partially offset by an \$8.6 million increase in overall debt levels, both on a year-over-year basis.

The Trust records its income producing properties at fair value in accordance with IFRS. These adjustments are a result of the Trust's regular quarterly IFRS fair value process. In accordance with this policy, the following fair value adjustments by segment have been recorded:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Retail – enclosed regional centres	(\$1,505)	\$5,469	(\$9,260)	(\$16,695)
Retail – community strip centres	(3,851)	3,094	(2,595)	3,790
Office	(5,927)	(24,771)	(20,288)	(53,566)
Industrial	600	(34)	574	6
	(\$10,683)	(\$16,242)	(\$31,569)	(\$66,465)

Reported net loss for three months ended June 30, 2025, was \$1.7 million as compared to a loss of \$2.2 million in 2024. This change is mainly due to the lower fair value losses recorded, as described above.

## FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS

The Trust presents FFO and AFFO in accordance with the current definition of the REALPAC.

In thousands of dollars, except per unit amounts	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Net loss	(\$1,698)	(\$2,226)	(23.7%)	(\$13,363)	(\$39,001)	(65.7%)
<b>Adjustments:</b>						
Fair value losses on real estate properties <sup>1</sup>	10,989	16,356	(32.8%)	31,838	66,571	(52.2%)
Amortization of right-of-use assets	18	—	—%	36	—	—%
Payment of lease liabilities, net	(40)	(22)	81.8%	(80)	(43)	86.0%
<b>Funds from operations – basic</b>	<b>9,269</b>	<b>14,108</b>	<b>(34.3%)</b>	<b>18,431</b>	<b>27,527</b>	<b>(33.0%)</b>
Interest expense on convertible debentures	2,081	2,081	—%	4,139	4,139	—%
<b>Funds from operations – diluted</b>	<b>\$11,350</b>	<b>\$16,189</b>	<b>(29.9%)</b>	<b>\$22,570</b>	<b>\$31,666</b>	<b>(28.7%)</b>
Funds from operations – basic	\$9,269	\$14,108	(34.3%)	\$18,431	\$27,527	(33.0%)
<b>Adjustments:</b>						
Amortized stepped rents <sup>1</sup>	(302)	175	(272.6%)	93	415	(77.6%)
Normalized PCME	(8,750)	(6,250)	40.0%	(17,500)	(12,500)	40.0%
<b>Adjusted funds from operations – basic</b>	<b>217</b>	<b>8,033</b>	<b>(97.3%)</b>	<b>1,024</b>	<b>15,442</b>	<b>(93.4%)</b>
Interest expense on convertible debentures	2,081	2,081	—%	4,139	4,139	—%
<b>Adjusted funds from operations – diluted</b>	<b>\$2,298</b>	<b>\$10,114</b>	<b>(77.3%)</b>	<b>\$5,163</b>	<b>\$19,581</b>	<b>(73.6%)</b>

1. Includes respective adjustments included in net income from equity-accounted investment.

## SPECIFIED FINANCIAL MEASURES

The Trust reports its financial results in accordance with International Financial Reporting Standards ("IFRS"). However, this earnings release 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. Additional details on specified financial measures including supplementary financial measures, capital management measures and total segment measures are set out in the Trust's Management's Discussion and Analysis for the period ended June 30, 2025 and available on the Trust's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

The following 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, which supplement the IFRS measures, provide readers with a more comprehensive understanding of management's perspective on the Trust's operating results and performance.

## 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.

## 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.

## Financial Statements and Management's Discussion and Analysis

The Trust's Q2 2025 Consolidated Financial Statements and Management's Discussion and Analysis will be made available on the Trust's website at [www.morguard.com](http://www.morguard.com) and have been filed with SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

### Conference Call Details:

Date: Thursday, July 31, 2025, 4:00 p.m. (ET)  
Conference Call #: 1-416-945-7677 or 1-888-699-1199  
Conference ID #: 05338

## About Morguard Real Estate Investment Trust

The Trust is a closed-end real estate investment trust, which owns a diversified portfolio of 45 retail, office and industrial income producing properties in Canada with a book value of \$2.2 billion and approximately 8.1 million square feet of leasable space.

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