



GRANITE REIT

Investor Presentation
December 2019

PRESENTATION OF CERTAIN INFORMATION

Unless otherwise indicated in this presentation, all information is presented as of September 30, 2019 and all financial information that is identified as refers to the three month period ending September 30, 2019. For definitions of certain non-IFRS measures used in this presentation including funds from operations (“FFO”), adjusted funds from operations (“AFFO”), FFO payout ratio, AFFO payout ratio, net operating income calculated on a cash basis (“NOI-cash basis”), net leverage ratio, earnings before interest, income taxes, depreciation and amortization (“EBITDA”), unencumbered asset coverage ratio, indebtedness ratio, and interest coverage ratio, please refer to Granite’s Management Discussion and Analysis (“MD&A”) in the Third Quarter 2019 Report.

This presentation may contain statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements ” or “forward-looking information” within the meaning of applicable securities legislation, including the United States Securities Act of 1933 as amended, the United States Securities Exchange Act of 1934 as amended, and applicable Canadian securities legislation. Forward-looking statements and forward-looking information may include, among others, statements regarding Granite’s future plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, economic performance or expectations, or the assumptions underlying any of the foregoing. Words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", “seek” and similar expressions are used to identify forward-looking statements and forward-looking information.

Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results and will not necessarily be accurate indications of whether or the times at or by which such future performance will be achieved. Undue reliance should not be placed on such statements.

Forward-looking statements and forward-looking information are based on information available at the time and/or management's good faith assumptions and analyses made in light of our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances, and are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond Granite's control, that could cause actual events or results to differ materially from such forward looking statements and forward-looking information.

Important factors that could cause such differences include, but are not limited to: the risk of changes to tax or other laws and treaties that may adversely affect Granite REIT’s mutual fund trust status under the Income Tax Act (Canada) (the “Tax Act”) or the effective tax rate in other jurisdictions in which Granite operates; economic, market and competitive conditions and other risks that may adversely affect Granite’s ability to achieve desired developments in its relationships with its tenants, expand and diversify its real estate portfolio and increase its leverage; and the risks set forth in the annual information form of Granite REIT and Granite REIT Inc. dated March 6, 2019 (the Annual Information Form). The “Risk Factors” section of the Annual Information Form also contains information about the material factors or assumptions underlying such forward-looking statements and forward-looking information, and is incorporated herein by reference. This presentation is qualified in its entirety by the information in such risk factors, which readers are strongly advised to review.

Forward-looking statements and forward-looking information speak only as of the date the statements and information were made and unless otherwise required by applicable securities laws, Granite expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements or forward-looking information contained in this presentation to reflect subsequent information, events or circumstances or otherwise.

GRANITE HIGHLIGHTS

ORGANIZATIONAL PRINCIPLES

Long-term total return focused

Conservative and flexible capital structure

Platform strength and active asset management

Institutional quality real estate portfolio

Alignment with unitholders

PORTFOLIO OVERVIEW

85 income-producing properties + 6 development properties

40M square feet

\$4.4B in property value

High quality and creditworthy tenant base

6.8 years of weighted average lease term

FINANCIAL PERFORMANCE

78% AFFO POR Q3 2019

22% net leverage ratio

GRT.UN on TSX and GRP.U on NYSE

Market Cap. of ~\$3.6B and EV of ~\$4.5B

Investment grade ratings with stable outlook (BBB / Baa2)

8 consecutive annual distribution increases

Global Industrial Real Estate Platform

- Where applicable, figures include the acquisition of properties subsequent to Sept 30, 2019 in Greenwood, IN, Pooler, GA, Dallas, TX and Southaven, MS and the October 31, 2019 equity offering.
- AFFO payout ratio may exclude items that can be a source of variance between periods. See Granite's MD&A in the Third Quarter 2019 report.
- Market capitalization and enterprise value are as at December 11, 2019.
- Granite investment grade ratings are as per DBRS/Moody's.

GRANITE HIGHLIGHTS – ESG

ENVIRONMENTAL

Promote energy efficiency and sustainable practices at our properties

Reduce use of resources and promote waste diversion

Exceed required standards where feasible in our developments

Encourage the use of local and recycled materials

Promote use of public transit through financial support

Implement various sustainability projects

SOCIAL

Promote employee well-being

Promote volunteerism and community support

Contribute financially towards gym memberships & public transit

Publish a Statement of Organizational Principles

Provide a 24/7 support and counselling resource

GOVERNANCE

100% independent Board excluding CEO

Experienced and diverse board

Internally managed

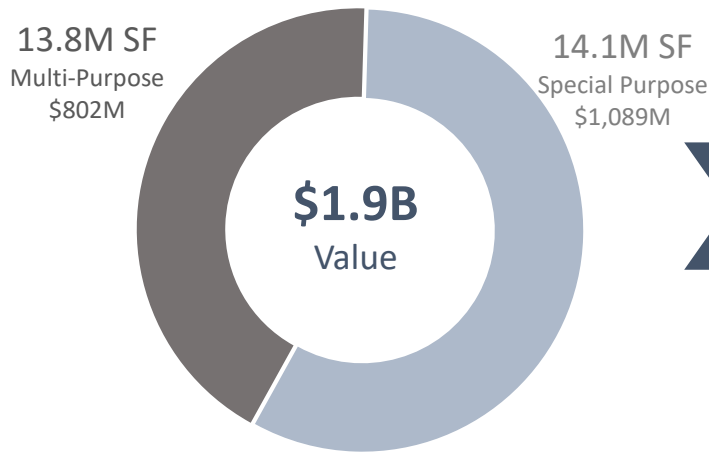
Robust governance policies with CGN Committee oversight

Whistle-blower hotline and reporting process

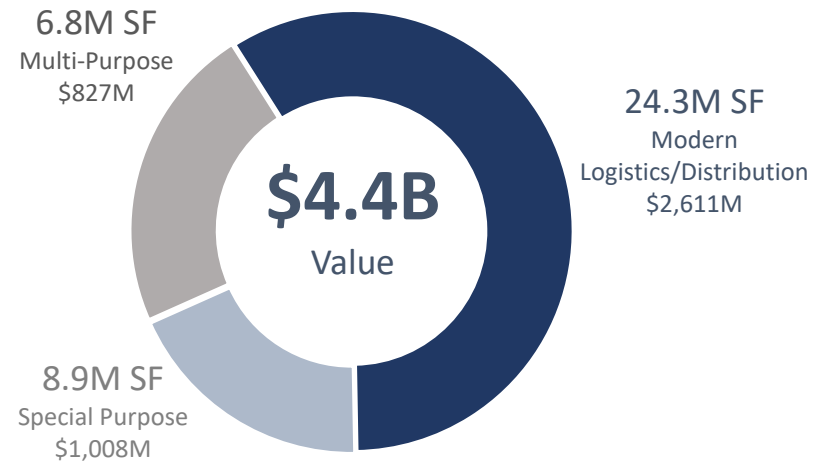
GRANITE'S EVOLUTION

Income-Producing Properties Summary

Then - December 31, 2011



Now - September 30, 2019



27.9 94% 11% \$1.5B \$2.14 ~\$700M

GLA (MSF) Magna % of GLA Net Leverage Ratio Market Cap FFOPU Incremental Debt Capacity @ 35%

40.0 35% 22% \$3.6B \$2.71 ~\$989M

GLA (MSF) Magna % of GLA Net Leverage Ratio Market Cap FFOPU Incremental Debt Capacity @ 35%

Transforming the portfolio while creating value and maintaining financial flexibility

- Market capitalization and enterprise value are as at December 11, 2019.
- Where applicable, figures include the acquisition of properties subsequent to Sept 30, 2019 in Greenwood, IN, Pooler, GA, Dallas, TX and Southaven, MS and the October 31, 2019 equity offering.

PORTFOLIO TRANSFORMATION STRATEGY

Target markets with superior economic conditions and market fundamentals

Proximity to major MSAs

Available labour

Strategic location

Population Growth

Liquidity

Major infrastructure

Focus on modern facilities that meet the demands of E-Commerce and traditional distribution users

Modern characteristics

Lower capex requirements

Potential for expansion or redevelopment

Strategic location within market

Captive tenancy

Invest selectively/opportunistically in evolving property types and markets benefiting from technological advancement & E-Commerce trends

Cold Storage
(Food & Pharma)

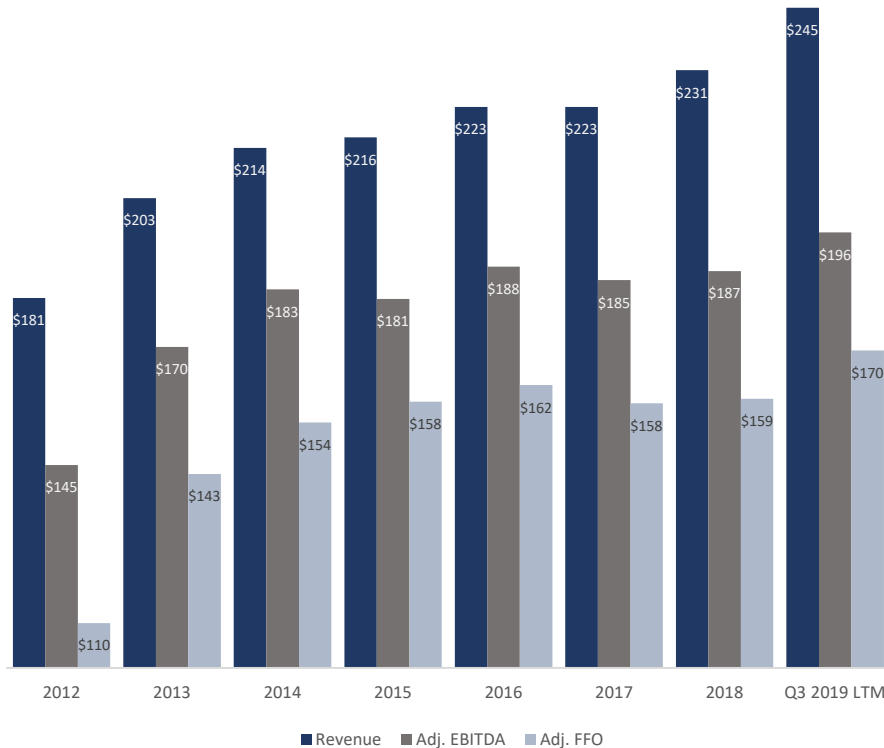
Multi-level
fulfillment

Transport facilities

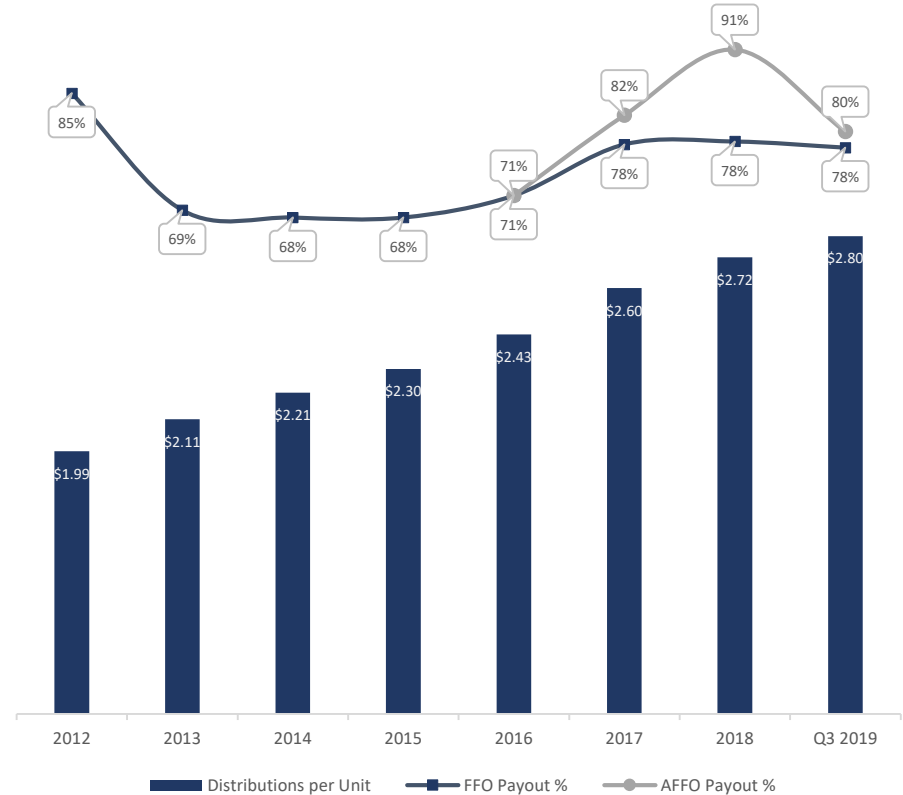
Focusing on characteristics that meet current and evolving user demand

FINANCIAL PERFORMANCE

Historical Operating Performance (\$M)



Distributions and Payout Ratios



Track record of profitability, growth and stable cash flows with conservative distribution payout ratio

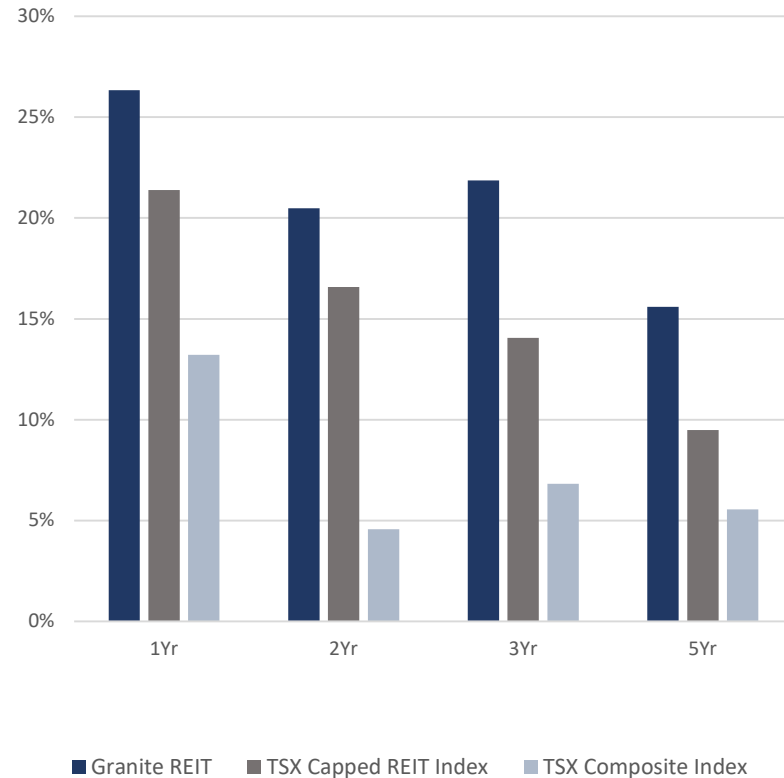
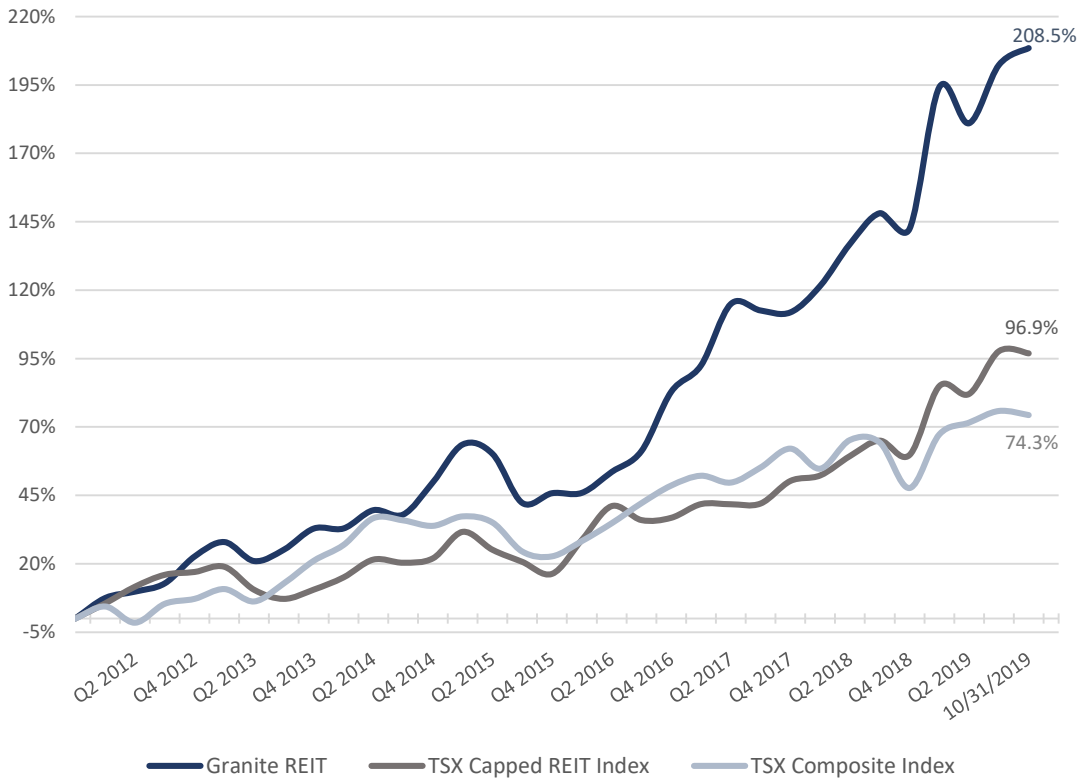
- On November 5, 2019, Granite announced an increase of its annualized distribution by 3.6% to \$2.90 per unit for 2020 from \$2.80 per unit in 2019.
- Adjusted FFO and FFO payout ratio may exclude items that can be a source of variance between periods. See Granite's MD&A in the Third Quarter 2019 Report.
- For revenue, the IFRS 15 impact has been excluded.
- 2019 Distributions excludes the special distribution paid in January 2019 of \$1.20 per unit.

GRT HISTORICAL PERFORMANCE

Total Return vs TSX Composite & TSX Capped REIT Indices

Cumulative Total Return %

Annualized Total Return %

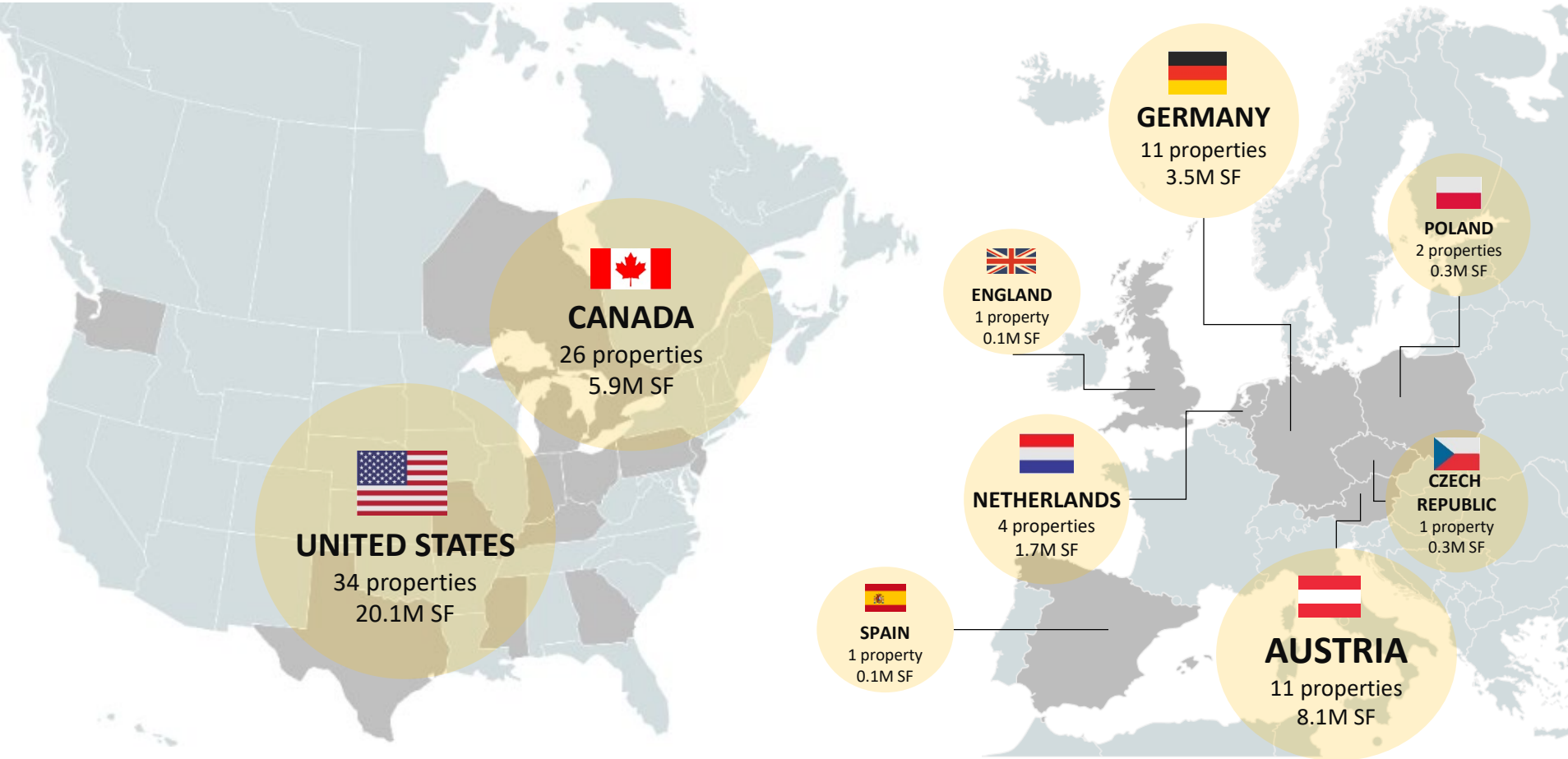


Granite has consistently outperformed the TSX and Capped REIT Total Return indices

• Total return data sourced from Bloomberg and is as at October 31, 2019.

GLOBALLY DIVERSIFIED PORTFOLIO

Nine countries - 91 properties – 40 million square feet

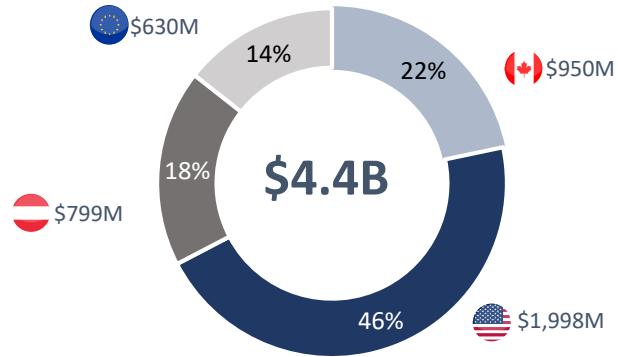


Global footprint with large scale in low-risk countries

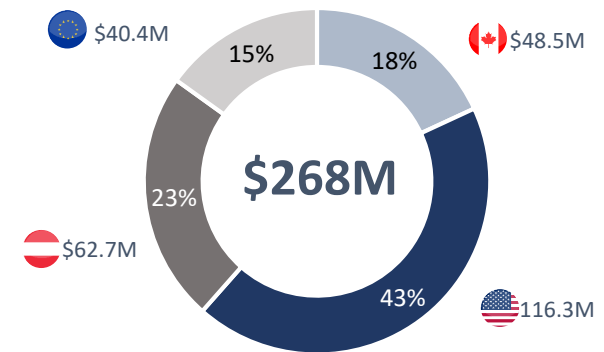
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PORTFOLIO SEGMENTATION BY GEOGRAPHY

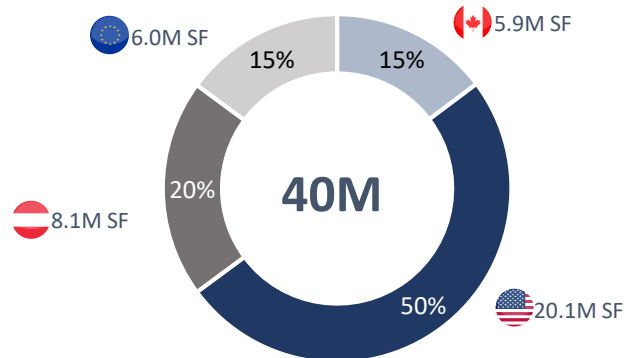
By Income Producing Property Fair Value



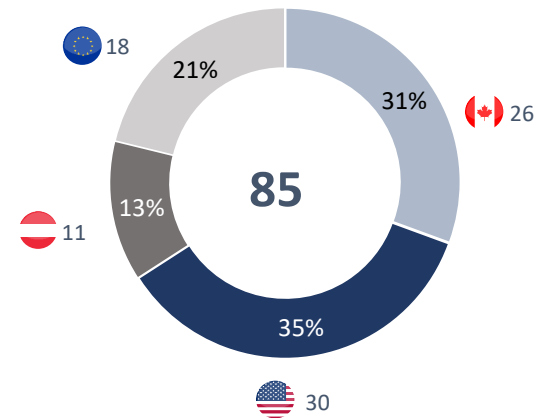
By Annualized Revenue



By Square Feet



By Number of Income-Producing Properties



Geographically diversified asset base

- Where applicable, figures include the acquisition of properties subsequent to Sept 30, 2019 in Greenwood, IN, Pooler, GA, Dallas, TX and Southaven, MS.
- Annualized revenue is calculated as rental revenue excluding tenant recoveries, recognized in accordance with IFRS in September 2019 multiplied by 12 months.

PORTFOLIO SEGMENTATION BY CATEGORY

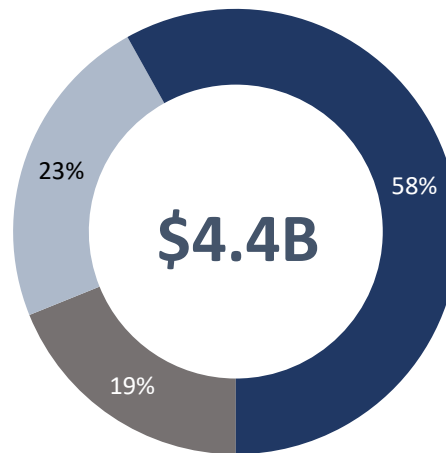
Income-Producing Properties by Value Segmented by Category

Multi-Purpose Properties

36 Properties
 6.8 M SF (~190K SF/property)
 \$0.83 B Fair Value (~\$121/SF)
 WALT: 5.4 years
 \$52.4 M Annualized Revenue (~\$7.67/SF)
 Magna Concentration: 76%
 Concentration in the GTA: 42%
 Clear Height: 22'-30'
 Average Age: 27Yrs
 Overall Cap Rate: ~6.5%

Special Purpose Properties

7 Properties
 8.9 M SF (~1,268M SF/property)
 \$1.01 B Fair Value(~\$114/SF)
 WALT: 6.2 years
 \$72.9 M Annualized Revenue(~\$8.21/SF)
 Magna Concentration: 100%
 Concentration in the GTA: 20%
 Clear Height: 24'-35'
 Average Age: 35Yrs (excluding expansions)
 Overall Cap Rate: ~7.5%



Modern Logistics Properties

42 Properties
 24.3 M SF (~578K SF/property)
 \$2.54 B Fair Value (~\$105/SF)
 WALT: 7.3 years
 \$142.6 M Annualized Revenue(~\$5.88/SF)
 Magna Concentration: 0%
 Clear Height: 32'+
 Average Age: <10Yrs
 Overall Cap Rate: ~5.4%

Total Fair Value of \$4.4B with an overall WALT of 6.8 years

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DEVELOPMENT PIPELINE



Dallas, Texas



Plainfield, Indiana



Altbach (Stuttgart), Germany



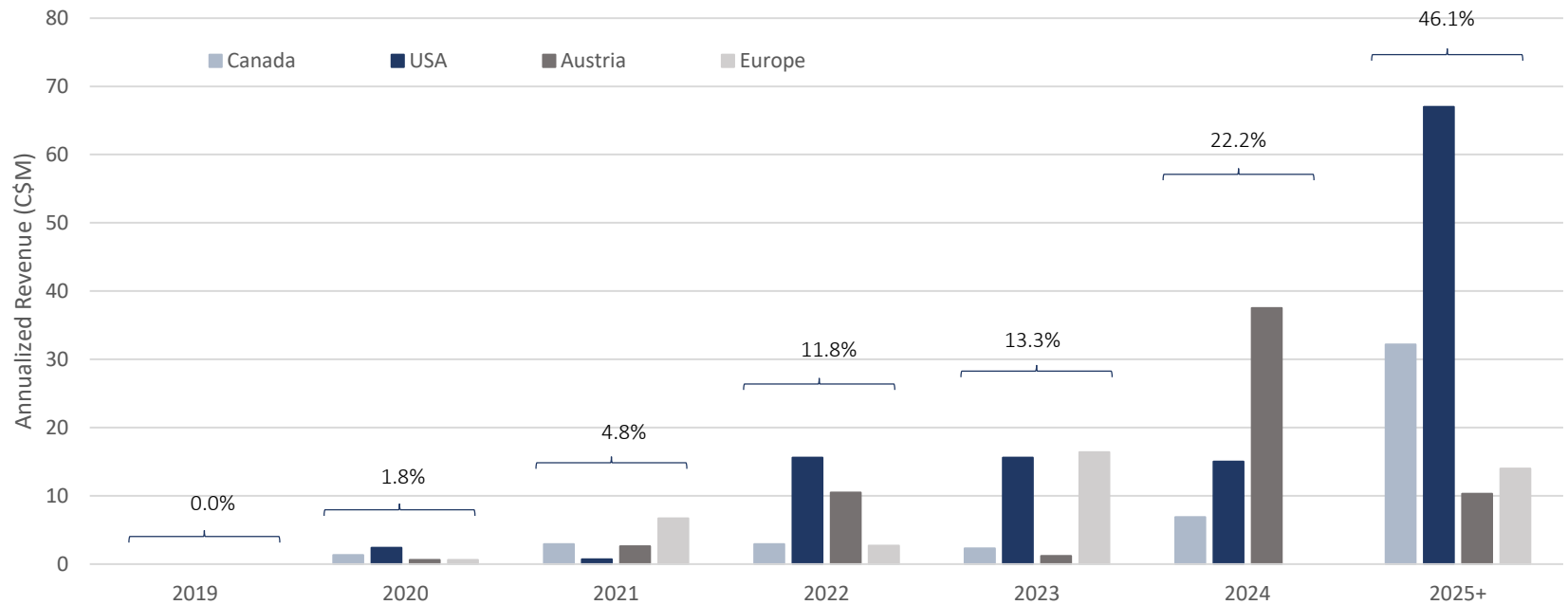
Mississauga, Ontario

Incorporate development into our growth plans to enhance total return & platform value

LEASE EXPIRATION PROFILE

Lease Expiration by Annualized Revenue

Annualized Revenue	\$268M	Overall WALT	6.8 Years	Occupancy	99.0%
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	2019	2020	2021	2022	2023	2024	2025+
% of Annualized Rev.	0.0%	1.8%	4.8%	11.8%	13.3%	22.2%	46.1%
% of GLA	0.0%	2.0%	4.2%	13.0%	15.0%	22.3%	43.5%
# of Leases	0	8	10	11	16	15	43












Staggered and geographically diversified lease maturity profile

- Where applicable, figures include the acquisition of properties subsequent to Sept 30, 2019 in Greenwood, IN, Pooler, GA, Dallas, TX and Southaven, MS.
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HIGH QUALITY & CREDITWORTHY TENANT BASE

Top 10 Tenants		Annualized Revenue %	GLA %	WALT	Credit Rating
Magna		42%	35%	5.5	A (low)
Global E-Commerce Provider		6%	6%	20.0	AA (low)
ADESA		3%	1%	9.8	BB (low)
Restoration Hardware		3%	3%	8.6	NR
Ingram Micro		2%	3%	5.3	BBB (low)
MARS Petcare		2%	3%	2.6	NR
Wayfair		2%	2%	6.0	NR
Hanon Systems		2%	1%	11.2	AA
Ricoh		2%	2%	5.7	BBB (high)
Geodis		2%	2%	4.2	NR
Top 10 Tenants		66%	57%	7.1	

Other Tenants

Creditworthy non-Magna tenants each comprising less than 10% of Revenue and GLA

- Where applicable, figures include the acquisition of properties subsequent to Sept 30, 2019 in Greenwood, IN, Pooler, GA, Dallas, TX and Southaven, MS.
- Credit rating is quoted on the DBRS equivalent rating scale.

BALANCE SHEET STRENGTH

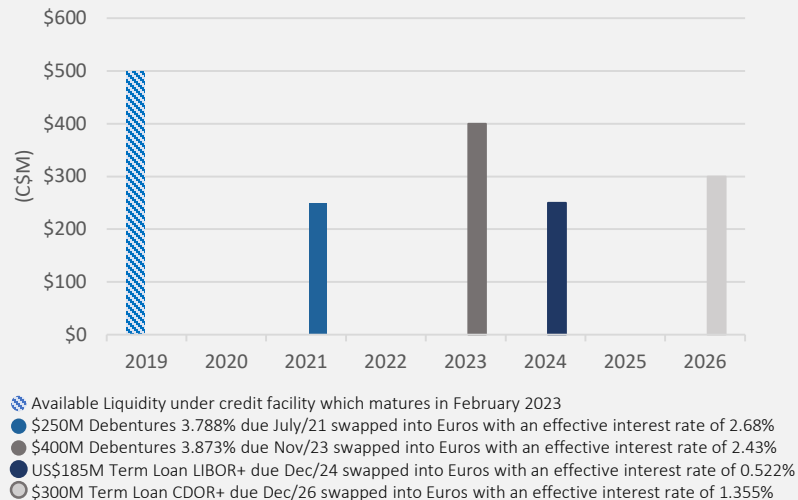
Capitalization

Unit Price (12/11/2019)	\$66.36
Units Outstanding	54.1
Market Capitalization	\$3,587
Credit Facility	\$0
Debentures 3.788% due Jul/21	\$250
Debentures 3.873% due Nov/23	\$400
Term Loan 0.522% due Dec/24	\$245
Term Loan 1.355% due Dec/26	\$300
Total Unsecured Debt	\$1,195
Less: Cash and Cash Equivalents	\$278
Less: Proceeds from Assets Held For Sale	\$0
Add: Non-controlling Interests	\$1
Enterprise Value	\$4,505

Available Liquidity

Cash and Cash Equivalents	\$278
Proceeds from Assets Held For Sale	\$0
Credit Facility Available	\$500
Total Available Liquidity	\$778

Debt Maturity Profile



Select Debt Metrics

LTM Adj. EBITDA / LTM Interest	9.9x
Net Debt / LTM Adj. EBITDA	5.0x
LTM FFO / Net Debt	18%
Net Debt / Fair Value of Investment Properties	22%
Net Debt / Enterprise Value	22%
Unencumbered Assets / Unsecured Net Debt	4.6x
Secured Debt / Fair Value of Investment Properties	0%
Incremental Net Debt Capacity at 35% Net Leverage Ratio	\$989M

Sector leading balance sheet with significant liquidity and fully unencumbered assets

- Where applicable, figures include the acquisition of properties subsequent to Sept 30, 2019 in Greenwood, IN, Pooler, GA, Dallas, TX and Southaven, MS and the October 31, 2019 equity offering.
- Market capitalization and enterprise value are as at December 11, 2019.
- Total Unsecured Debt excludes swap mark-to-market liabilities and lease obligations.

CREDIT METRICS SUMMARY

- The following table was sourced from DBRS' Canadian Real Estate Peer Comparison dated May 2019.

DBRS Canadian Real Estate Peer Comparison¹:

	Granite	Peer Group Average	Granite Rank Among Peer Group
Total Debt to Capital	32.4%	48.8%	#2
Total Debt to EBITDA	6.5x ²	9.6x	#1
Cash Flow to Total Debt ³	0.14x	0.1x	#1
Debt Service Coverage ³	9.95x	2.58x	#1
EBITDA Interest Coverage	9.95x	3.49x	#1
Distributions to FFO ^{3,4}	76.5%	76.6%	#8

Granite's balance sheet & access to Euro-denominated debt offers a competitive advantage

¹ Source: DBRS Canadian Real Estate Peer Comparison for 15 issuers as of May 2019. Credit metrics for each issuer are as of the dates indicated in the report (December 31, 2018 for Granite). Certain terms used, such as EBITDA and FFO, do not have standardized meanings under IFRS and as such may not be comparable between the Canadian Real Estate Peer issuers used in the study.

² At December 31, 2018, Granite prefunded upcoming commitments scheduled to close through the third quarter of 2019 by fully drawing down term loans. DBRS notes that had Granite not prefunded upcoming contractual commitments, total debt-to-EBITDA would have been 3.5x for the LTM ending December 31, 2018.

³ Peer Group Average excludes Choice Properties (metric is N/A per DBRS)

⁴ Peer Group Average excludes Morguard Corporation

FINANCIAL FLEXIBILITY & TARGET LONG-TERM LEVERAGE RATIO

- Strong balance sheet provides pathway for measured growth with potential for further diversification and optimization of the portfolio
- Target long term net leverage ratio of ~30 - 35% while maintaining patient and opportunistic approach to acquisitions and development
- Long term leverage target fully reflected in current credit ratings from Moody's and DBRS

Incremental Net Debt Capacity

Net Leverage Ratio	Incremental Debt Capital (\$ M)
22% (current)	N/A
30%	\$600
35%	\$989
40%	\$1,441

Rating Agency Commentary

Moody's 03/13/2019: Baa2 (Stable)

"The rating reflects the REIT's commitment to maintaining a conservative capital structure, with moderate long-term target leverage of debt/total assets under 40% and fully unencumbered asset base, as the REIT executes its strategic growth plan and enters the second, accelerated growth stage of the portfolio transformation. The ratings are further supported by Granite's good liquidity and long-term net-lease contracts with minimal rollover that result in stable earnings. A ratings upgrade would be contingent upon greater tenant diversification with Magna comprising less than 40% of Granite's total revenues, while maintaining net debt/EBITDA closer to 5.5x, fixed charge coverage above 4.0x and secured debt % gross assets at or below 10%."

DBRS 4/01/2019: BBB (Stable)

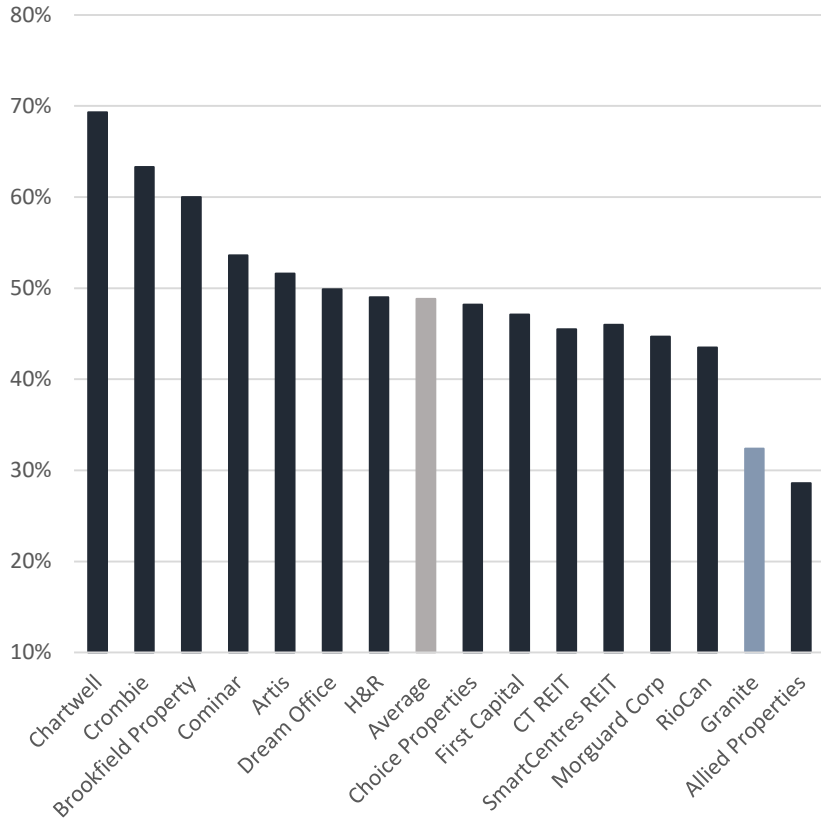
"The Stable rating outlook takes into consideration Granite's strong progress toward executing its strategic initiatives, including instating Kevan Gorrie as the new chief executive officer (CEO); investing \$775.1 million into acquisitions and developments of modern assets in key e-commerce and distribution markets, with future contractual commitments of \$457.0 million through Q3 2019; reducing Magna exposure to 54% of annualized rental revenue via disposing of \$773.3 million in assets, including five special purpose properties in Ontario and the United States; and DBRS's expectation that total debt-to-EBITDA will remain below 8.0x through YE2020."

Commitment to maintaining a sustainable investment grade rating and conservative capital structure

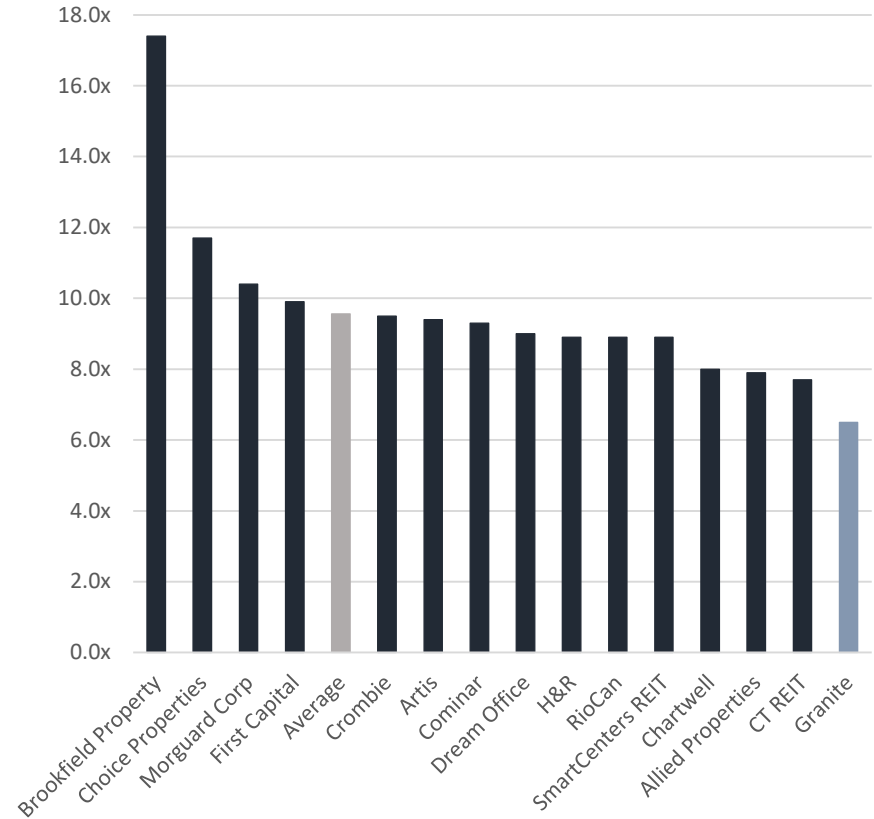
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CANADIAN REAL ESTATE DEBT PEER COMPARISON¹

Total Debt-to-Capital



Total Debt-to-EBITDA

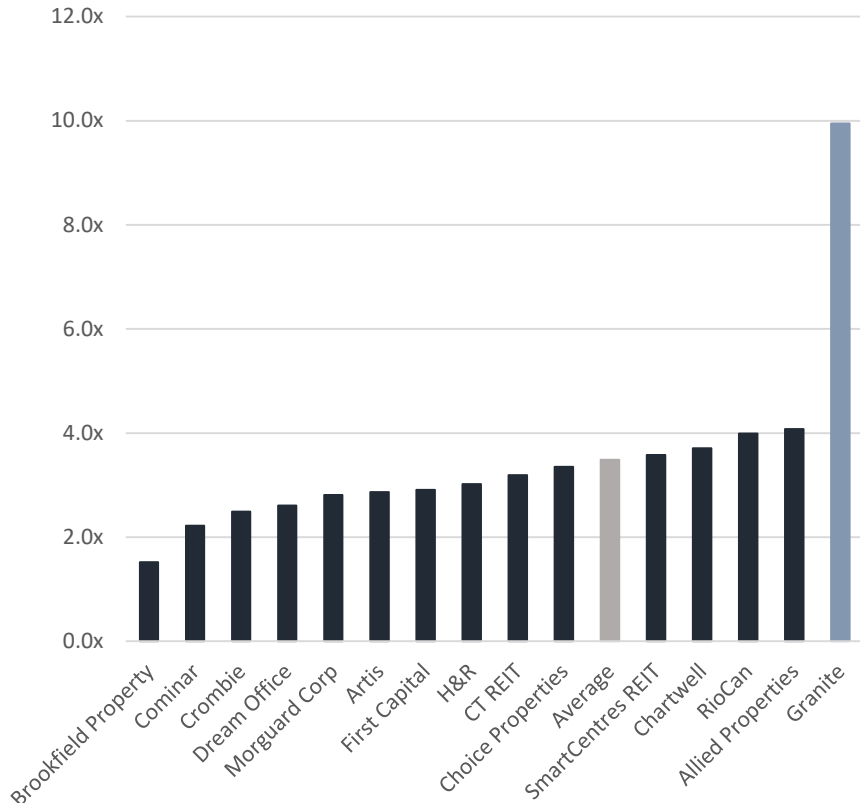


Granite has the lowest leverage within DBRS¹ universe of Canadian Real Estate entities

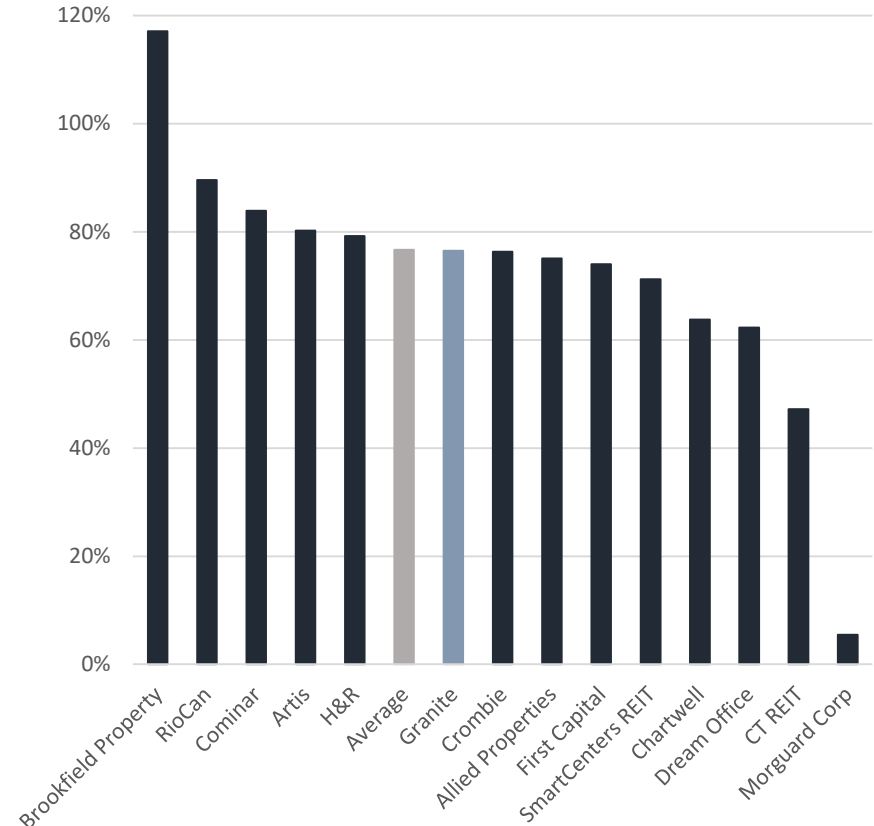
¹ Source: DBRS Canadian Real Estate Peer Comparison May 2019. Credit metrics for each issuer are as of the dates indicated in the report (December 31, 2018 for Granite). Certain terms used, such as EBITDA and FFO, do not have standardized meanings under IFRS and as such may not be comparable between the Canadian Real Estate Peer issuers used in the study.

CANADIAN REAL ESTATE DEBT PEER COMPARISON¹

EBITDA Interest Coverage



Distributions/Cash Flow from Operations^{2,3}



Granite has leading cash flow coverage metrics among DBRS¹ universe of Canadian Real Estate entities

¹ Source: DBRS Canadian Real Estate Peer Comparison May 2019. Credit metrics for each issuer are as of the dates indicated in the report (December 31, 2018 for Granite). Certain terms used, such as EBITDA and FFO, do not have standardized meanings under IFRS and as such may not be comparable between the Canadian Real Estate Peer issuers used in the study.

² Choice Properties excluded as metric is N/A per DBRS Canadian Real Estate Peer Comparison

³ Peer Group Average excludes Morguard Corporation

LEADERSHIP TEAM



Kevan Gorrie

- President and Chief Executive Officer
- Over 20 years of real estate experience in Canada, the United States and Germany.
- Previously served as the President and Chief Executive Officer of PIRET, where he led the business until its strategic sale to Blackstone Property Partners and Ivanhoé Cambridge in May 2018.



Teresa Neto

- Chief Financial Officer
- Over 30 years of varied business experience, including ~10 years as a CFO for publicly-traded real estate investment trusts in Canada.
- Previously served as the CFO of Pure Industrial Real Estate Trust and prior to that at Northwest Healthcare Properties REIT.



Lorne Kumer

- Executive Vice President, Head of Global Real Estate
- Over 25 years of experience in the real estate industry working for both public and private development companies
- Experience includes acquisitions, due diligence, leasing, land use and development approvals, sales and construction



Michael Ramparas

- Senior Vice President, Global Real Estate and Head of Investments
- Over 18 years of broad work experience with a focus on real estate, equity investments, and corporate underwriting.
- Previously held senior positions at Fortress Investment Group and Hexagon Capital Partners



Witsard Schaper

- Vice President, Head of Europe based in Amsterdam
- 20 years of extensive real estate investment experience in international private and public real estate transactions across Europe
- Prior to joining Granite, Mr. Schaper was a Director at CPPIB in London responsible for the investment program in Europe



Jon Sorg

- Vice President, Head of U.S. based in Dallas
- 19 years of investment, operations, underwriting and valuations experience in a variety of markets across the central US
- Prior to joining Granite, Mr. Sorg spent 12 years at Prologis, where most recently he served as Senior Vice President, Capital Deployment