



UNLOCKING AND CREATING VALUE

Joint Annual General Meetings of
Granite Real Estate Investment
Trust and Granite REIT Inc.

June 13, 2019

FORWARD LOOKING STATEMENTS



Unless otherwise indicated in this presentation, all information is presented as of December 31, 2018 and all financial information that is identified refers to the twelve month period ending December 31, 2018. 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 2018 Annual 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
REIT



KEVAN GORRIE
PRESIDENT AND CEO

GRANITE OVERVIEW AT DECEMBER 31, 2018

Description

- Owner and manager of industrial, warehouse and **logistics** properties in nine countries in North America and Europe
- **Creditworthy** tenant base



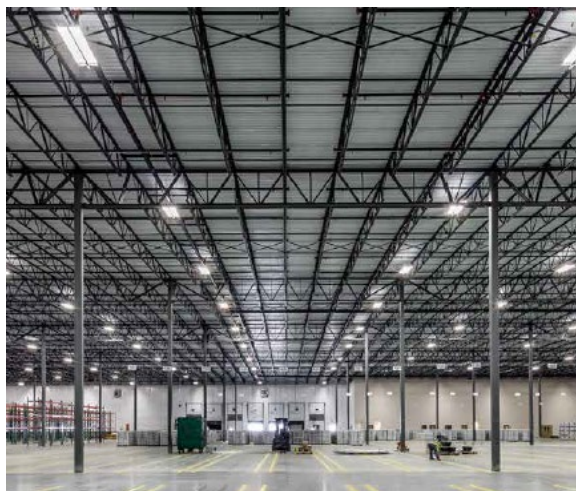
2020 Logistics Drive, Mississauga, ON

Financial Information

- \$247.5M in total **revenue**
- \$168.9M 2018 **FFO**
- 78% FFO **payout** ratio
- 19% net **leverage** ratio

Properties

- 80 **income-producing** properties + 2 **development** properties
- 32.2M SF / \$3.4B in property value / 6.0 years of **WALT**



181 Antrim Commons Dr, Greencastle, PA

Public Listing

- **GRT.UN** on TSX and GRP.U on NYSE
- Market capitalization of ~\$2.4B and TEV of ~**\$3.0B**
- Investment grade ratings with stable outlook (**BBB / Baa2**)

2018 CORPORATE OBJECTIVES RECAP

Complete CEO Search

Kevan Gorrie appointed as President and CEO, effective August 1, 2018

Replace Revenue from the Sale of 10 Properties in January 2018

Completed **\$544.2M** of acquisitions at an average stabilized yield of **5.8%**; generating annual NOI of **\$31.6M**

The annualized revenue from the 10 properties disposed in January 2018 would have been **\$25.6M**

Accelerate Growth in Granite's Key Markets

In addition to the \$544.2M of completed acquisitions, Granite had committed **\$689.6M¹** to acquire and develop assets

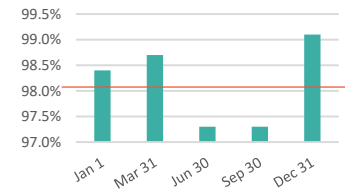
Transactions in Granite's target markets include: Indianapolis, I-78/I-81 Corridor, Columbus, Louisville, Dallas, GTA, Germany.

Continue to recycle certain properties

Subsequent to January 2018, Granite disposed of 6 special purpose or non-core properties totaling **\$342.0M** in 2018

Occupancy >98%

As at December 31, 2018, occupancy was at **99.1%**



3870 Ronald Reagan Pkwy, Indianapolis, IN



120 Velocity Way, Louisville, KY

All of Granite's 2018 corporate objectives were met or exceeded

¹ Includes commitments subsequent to December 31, 2019 and as at March 6, 2019.

2018 MAJOR ACCOMPLISHMENTS/ACTIVITIES

Strategic Allocation of Capital

\$730M generated from the sale of 16 non-core assets contributing to fair value gains of ~\$355 million (\$7.75/un) in NAV

\$544.2M invested in modern assets in key e-commerce and distribution markets in the US and Germany at an average incoming yield of 5.8%

\$500M 5-year unsecured revolving facility, available in Canadian dollars, US dollars or Euros

\$550M in unsecured committed term loans with a weighted average term of 5.6yrs at a weighted average fixed interest rate of 1.76%

\$63.5M to repurchase 1.28M of Granite's stapled units at an average price of \$49.55

\$689.6M of additional commitments made to acquire or develop properties in 2019

Financial & Operational Performance

FFOPU growth of 13.2%, despite the loss of ~\$49M in annualized revenue from the \$730M in dispositions. AFFOPU decreased by 2.6%

Net leverage ratio of 19%;
>\$1.0B in available liquidity

3.2MSF of lease expiries renewed or re-leased at an average increase in base rent of 4.6%

Occupancy rate at year end of 99.1%

Portfolio Enhancement / Diversification

Reduced Magna concentration from 61% to 47% as a percentage of GLA and 71% to 54% as a percentage of annualized revenue

Focused Strategy

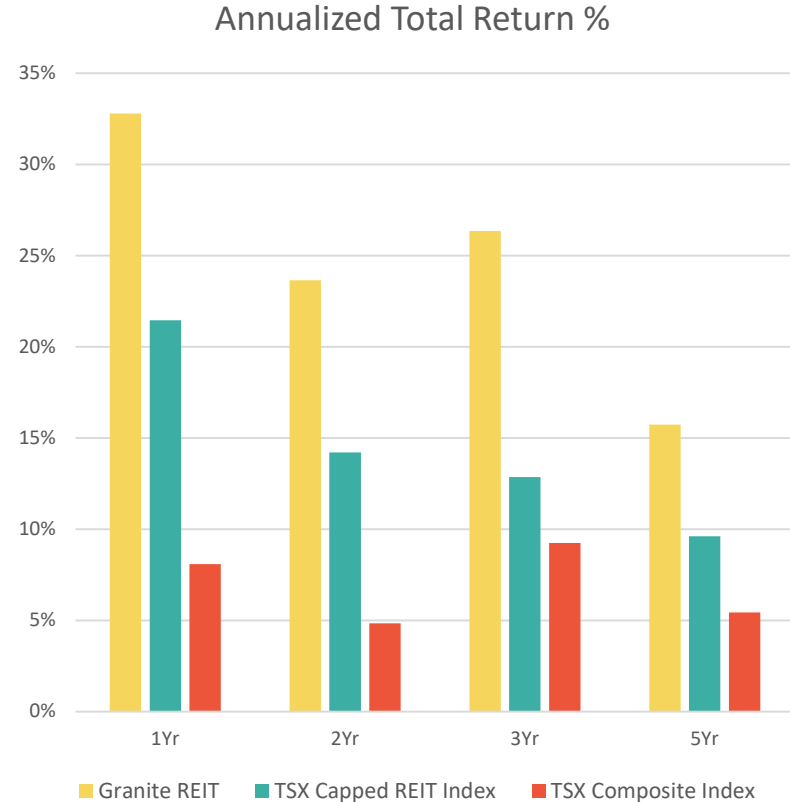
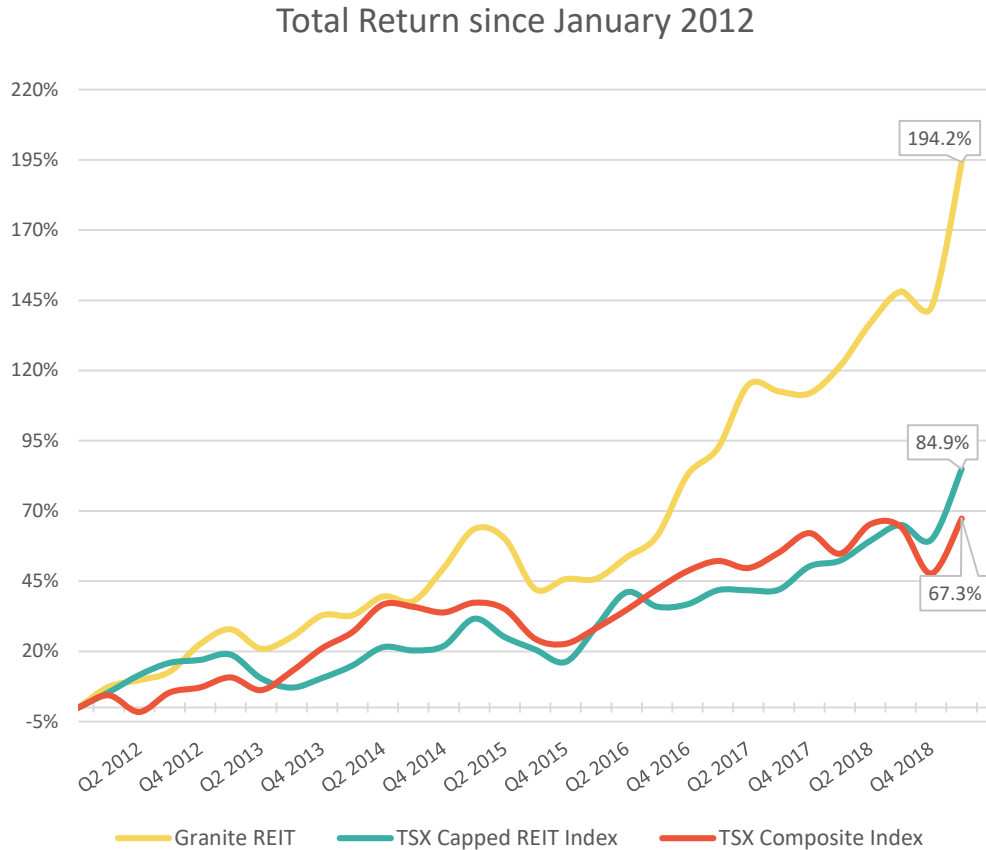
A new strategic plan - setting the course for Granite for the next five years - approved in November 2018

Employee compensation to be aligned with the achievement of targets and objectives of the strategic plan

Strategic priorities guided by value creation potential on a risk-adjusted basis

GRANITE HISTORICAL PERFORMANCE¹

Total Return vs TSX Composite & TSX Capped REIT Indices

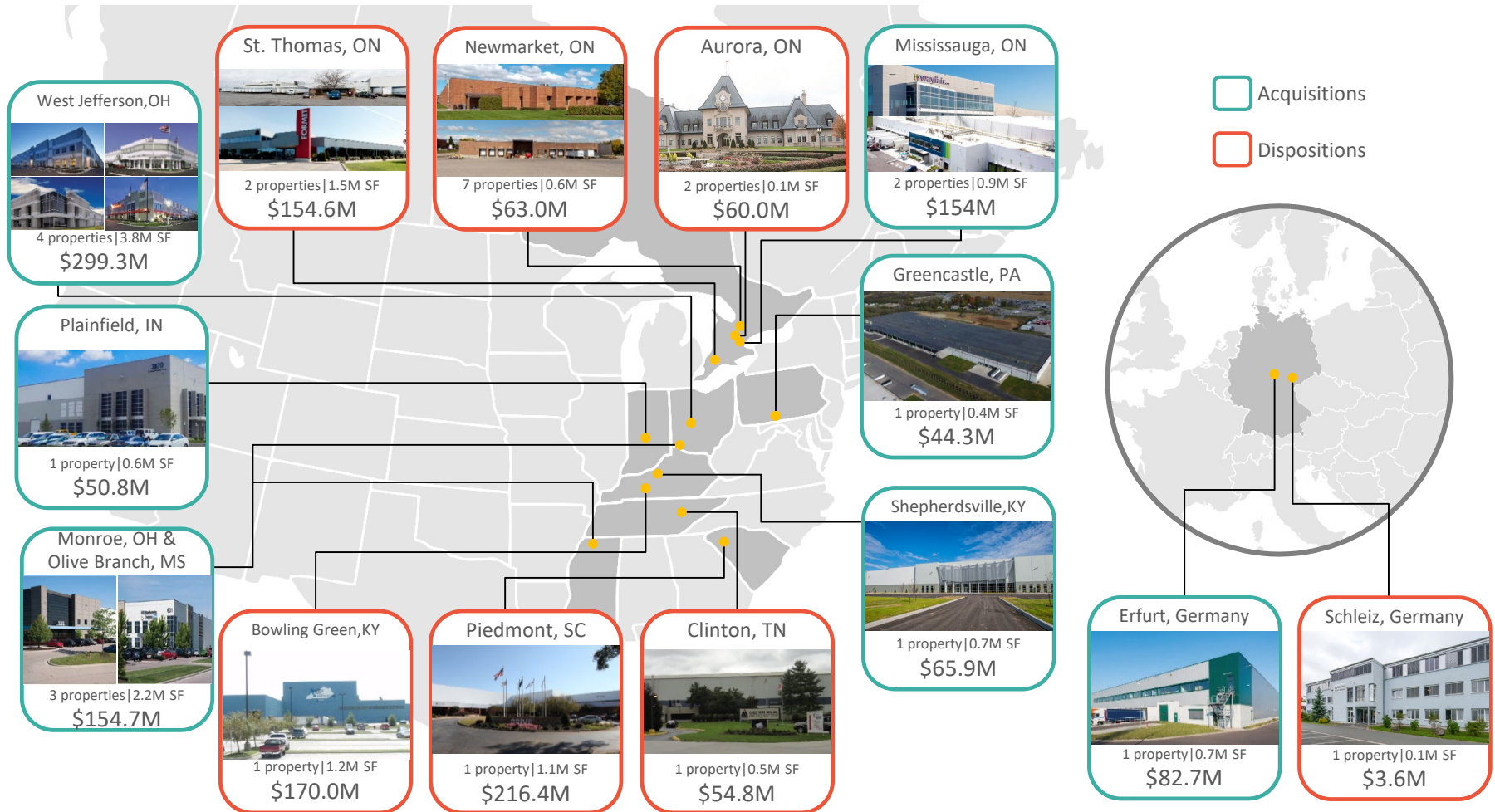


Granite has consistently outperformed the TSX and Capped REIT Total Return indices

¹ Total return data sourced from Bloomberg and is as at March 31, 2019.

RECENT TRANSACTIONS¹

>\$1.6B in acquisitions and dispositions during previous 24 months



Significant progress on portfolio transformation

¹ Above excludes \$300M of commitments made to acquire, construct, or develop properties over the next year and assets classified as AHFS as at March 31, 2019.

2019 CORPORATE OBJECTIVES

Increase Scale in Target Markets

\$475M in closed and committed acquisitions and development projects in GTA, Columbus, Indianapolis, Dallas, and Germany

Drive Net Asset Value, FFO & AFFO Per Unit Growth

Q1 FFOPU & AFFOPU above consensus

Execute on Development Projects

Approvals received in Altbach, Germany

Plainfield project has commenced construction



Allpoints Development, Plainfield, IN



201 Sunridge Blvd., Dallas, TX

Dispose of Select Non-Core Assets and Exit Non-Core Markets

\$43.8M in dispositions closed

Enhance Platform Capabilities in Europe and the United States

Witsard Schaper appointed as new Head of Europe in March

Reduce Magna Concentration to <50% by Revenue

Magna at **49%**¹ of revenue at March 31 vs. 54% as at December 31, 2018

Leveraging the balance sheet & platform to generate unitholder value

¹ Includes the leasehold interest in two properties in Mississauga, ON acquired subsequent to March 31, 2019.

THANK YOU



2020 Logistics Drive, Mississauga, ON / Pearson International Airport

LET'S GO RAPTORS!

WE THE NORTH

