

GRANITE
REIT



INVESTOR PRESENTATION

November 2024

PRESENTATION OF CERTAIN INFORMATION



- Unless otherwise indicated in this presentation, all information is presented as of September 30, 2024 and all financial information that is identified as current refers to the period ending September 30, 2024. For definitions of certain non-IFRS performance measures and non-IFRS ratios 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”), constant currency same property NOI, net leverage ratio, earnings before interest, income taxes, depreciation and amortization (“EBITDA”), available liquidity, total debt and net debt, unencumbered asset coverage ratio, indebtedness ratio, and interest coverage ratio, please refer to Appendix A and Appendix B on pages 20, 21 and 22. For reconciliation of these non-IFRS performance measures and non-IFRS ratios, please refer to Granite’s Management Discussion and Analysis (“MD&A”) in the Third Quarter Report for 2024 (available on Granite’s website <https://granitereit.com/investors/financial-reports-and-filings/>).
- 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, capital structure, cost of capital, tenant base, tax consequences, economic performance or expectations, or the assumptions underlying any of the foregoing. Words such as “outlook”, “may”, “would”, “could”, “should”, “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. There can also be no assurance that Granite’s expectations regarding various matters, including the following, will be realized in a timely manner, with the expected impact or at all: the effectiveness of measures intended to mitigate such impact, and Granite’s ability to deliver cash flow stability and growth and create long-term value for unitholders; Granite’s ability to advance its ESG+R program and related targets and goals; the expansion and diversification of Granite’s real estate portfolio and the reduction in Granite’s exposure to Magna and the special purpose properties; Granite’s ability to accelerate growth and to grow its net asset value, FFO and AFFO per unit, and constant currency same property NOI - cash basis; Granite’s ability to execute on its strategic plan and its priorities for the remainder of 2024 and into 2025; Granite’s 2024 outlook for FFO per unit, AFFO per unit and constant currency same property NOI, including the anticipated impact of future foreign currency exchange rates on FFO and AFFO per unit and expectations regarding Granite’s business strategy; fluctuations in foreign currency exchange rates and the effect on Granite’s revenues, expenses, cash flows, assets and liabilities; Granite’s ability to offset interest or realize interest savings relating to its term loans, debentures and cross-currency interest rate swaps; Granite’s ability to find and integrate satisfactory acquisition, joint venture and development opportunities and to strategically deploy the proceeds from recently sold properties and financing initiatives; Granite’s intended use of available liquidity, its ability to obtain secured funding against its unencumbered assets and its expectations regarding the funding of its ongoing operations and future growth; any future offerings under Granite’s shelf prospectus; obtaining site planning approval of a 0.7 million square foot distribution facility on the 34.0 acre site in Brantford, Ontario; obtaining site planning approval for a third phase of development for up to 1.3 million square feet on the 101.5 acre site in Houston, Texas and the potential yield from the project; the development of 12.9 acres of land in West Jefferson, Ohio and the potential yield from that project; the development of a 0.6 million square foot multi-phased business park on the remaining 36.0 acre parcel of land in Brantford, Ontario and the potential yield from that project; the development of a 0.2 million square foot modern distribution/logistics facility on the 10.1 acres of land in Brant County, Ontario and the potential yield of the project; estimates regarding Granite’s development properties and expansion projects, including square footage of construction, total construction costs and total costs; Granite’s ability to meet its target occupancy goals; Granite’s ability to secure sustainability or other certifications for any of its properties; Granite’s ability to generate peak solar capacity on its properties; the impact of the refinancing of the term loans on Granite’s returns and cash flow; the amount of any distributions; and the effect of any legal proceedings on Granite; and the timing and successful completion of the Arrangement that would simplify Granite’s capital structure by replacing its current stapled unit structure with a conventional REIT trust unit structure.
- 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 Granite’s perception of historical trends, current conditions and expected future developments, as well as other factors Granite believes are appropriate in the circumstances. Forward-looking statements and forward-looking information 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) or the effective tax rate in other jurisdictions in which Granite operates; the risks related to Russia’s 2022 invasion of Ukraine that may adversely impact Granite’s operations and financial performance; economic, market and competitive conditions and other risks that may adversely affect Granite’s ability to expand and diversify its real estate portfolio; and the risks set forth in the “Risk Factors” section in Granite’s AIF for 2023 dated February 28, 2024, filed on SEDAR+ at www.sedarplus.ca and attached as Exhibit 1 to the Trust’s Annual Report on Form 40-F for the year ended December 31, 2023 filed with the SEC and available online on EDGAR at www.sec.gov, all of which investors are strongly advised to review. The “Risk Factors” section also contains information about the material factors or assumptions underlying such forward-looking statements and forward-looking information.
- 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.



ORGANIZATIONAL PRINCIPLES

- Long-term total return focused
- Conservative and flexible capital structure
- Platform strength & active asset management
- Institutional quality real estate portfolio
- Alignment with unitholders

PORTFOLIO OVERVIEW

- 138 income-producing properties + 5 development properties
- 63.3MSF with 94.7% committed occupancy
- \$9.1B in property value
- High quality & creditworthy tenant base
- 5.9 years of weighted average lease term

FINANCIAL PERFORMANCE

- 69% LTM AFFO POR¹
- 32% net leverage ratio¹
- Outlook of 6.0% constant currency SPNOI¹ quarterly average growth in 2024
- Market Cap. of ~\$4.7B² & EV of ~\$7.6B²
- Investment grade ratings with stable outlook (BBB (high) / Baa2)³
- 14 consecutive annual distribution increases

Global Industrial Real Estate Platform

¹ Reflects adjustments for subsequent events. Refer to the "Subsequent Events" section in Appendix C on page 23.

² For definitions of Granite's non-IFRS performance measures and non-IFRS ratios, refer to Appendix A and B on pages 20 to 22.

³ Market capitalization and enterprise value are as of November 1, 2024. (GRT.UN on TSX and GRP.U on NYSE).

⁴ Granite investment grade ratings are as per DBRS/Moody's.



ENVIRONMENTAL

- Promote energy efficiency and sustainable practices at both our properties and corporate offices
- Collaborate with tenants to pursue sustainability projects
- Exceed required building sustainability and efficiency standards where feasible
- Develop projects consistent with our Green Bond Framework
- Ensure compliance with our Environmental Policy

SOCIAL

- Engage with our unitholders, employees, tenants, property managers and the local community to drive ESG+R objectives
- Communicate and report on the progress of our ESG+R Program with stakeholders
- Promote health and inclusive workplaces that support people and career growth
- Remain an active corporate citizen and give back in our communities

GOVERNANCE

- Disclose our ESG+R performance as a commitment to transparency and accountability
- Monitor property compliance with government benchmarking requirements and ESG+R regulations
- Align and report to formal reporting frameworks such as GRESB⁽¹⁾, SASB⁽¹⁾, the Carbon Disclosure Project (CDP), GRI⁽¹⁾, and TCFD⁽¹⁾
- Maintain robust governance policies and carry out company-wide governance trainings to promote better business behavior
- Participate in organizations to inform, learn and share best practices within our industry

RESILIENCE

- Identify and mitigate the potential climate-related risks within our portfolio
- Collaborate with our stakeholders to ensure mitigation measures and emergency response plans are in place to respond to potential risks

Granite's 2023 ESG+R report released August 7, 2024 and available at <https://granitereit.com/sustainability>

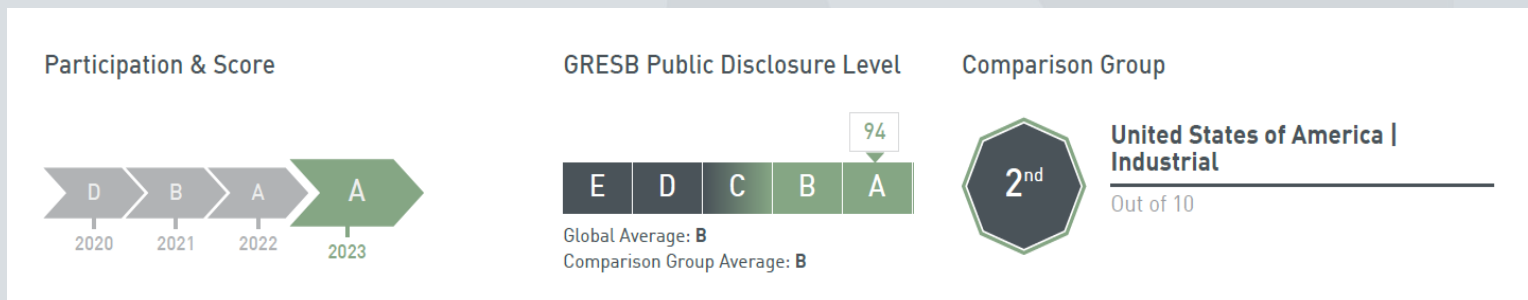
¹ GRESB – Global Real Estate Sustainability Benchmark; SASB – Sustainability Accounting Standards Board; GRI – Global Reporting Initiative; TCFD – Task Force on Climate-Related Financial Disclosures.



GRESB 2024 - Granite ranked 1st in the Northern America/Industrial/Listed/Tenant Controlled peer group



GRESB 2023 Public Disclosure Report¹ - Granite ranked 2nd in the United States of America/Industrial sector



¹ GRESB 2024 Public Disclosure Report scores and rankings will be released in Q4 2024.

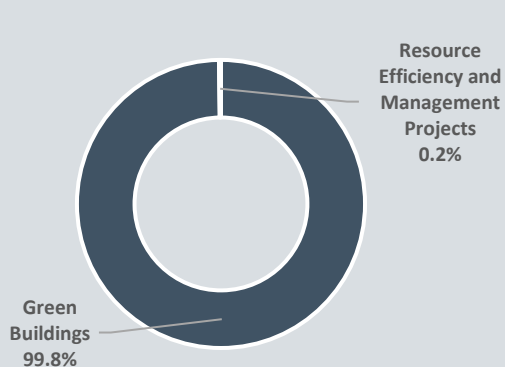
ESG - GREEN BONDS (AS AT DEC 31, 2023¹)



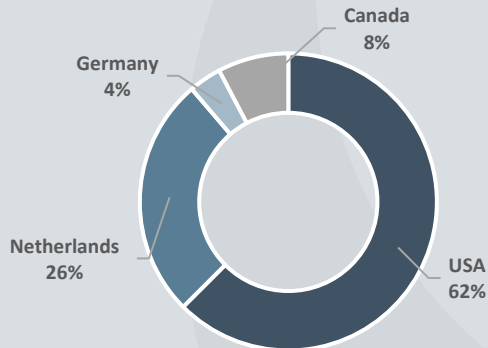
Green Bonds Issued to Date	\$1.4B
Green Bond Spend to Date	\$1.2B
Overall Allocation	83%

2027 Green Bond Allocation	100%
2028 Green Bond Allocation	100%
2029 Green Bond Allocation	42%

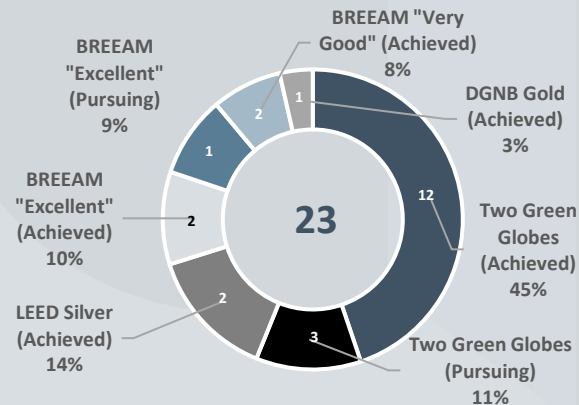
Spend by Framework Category



Spend by Location



Spend by Green Building Certification²



Granite has allocated \$1,161M (83%) of Green Bond net proceeds to Eligible Green Projects

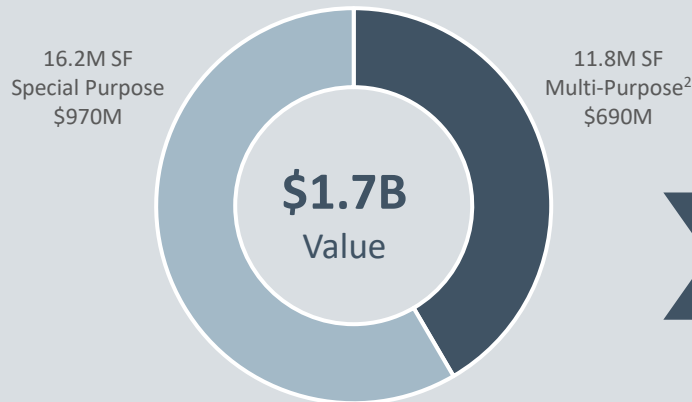
¹ Granite has committed to providing annual updates on green bond allocation.

² Percentages indicate fraction of total spend for the Green Building Certification category, whereas whole numbers indicate number of properties achieving certifications for the Green Building Certification category.

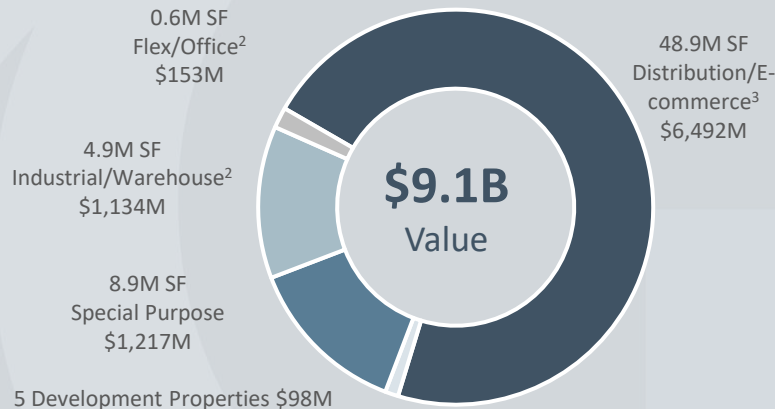


Investment Property Summary

Then - December 31, 2012



Now - September 30, 2024



28.0 93% 13% \$1.8B \$2.43

GLA Magna % Net Market FFOPU⁴
(MSF) of GLA Leverage Cap Ratio⁴

63.3 19% 32%⁵ \$4.7B¹ \$5.24

GLA Magna % Net Market LTM
(MSF) of GLA Leverage Cap FFOPU⁴
Ratio⁴

Transforming the portfolio while creating value, cash flow growth, and maintaining financial flexibility

¹ Market capitalization is as at November 1, 2024.

² Multi-Purpose property type has been split and renamed into two new categories: Industrial/Warehouse and Flex/Office as of Q1 2021.

³ Modern warehouse has been renamed to Distribution/E-commerce as of Q1 2021.

⁴ For definitions of Granite's non-IFRS performance measures and non-IFRS ratios, refer to Appendix A and B on pages 20 to 22.

⁵ Reflects adjustments for subsequent events. Refer to the "Subsequent Events" section in Appendix C on page 23.



TARGET MARKETS

- Superior economic conditions and market fundamentals
- Proximity to major MSAs
- Available labour
- Strategic location
- Population growth
- Liquidity
- Major infrastructure

MODERN FACILITIES

- 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

E-COMMERCE TRENDS

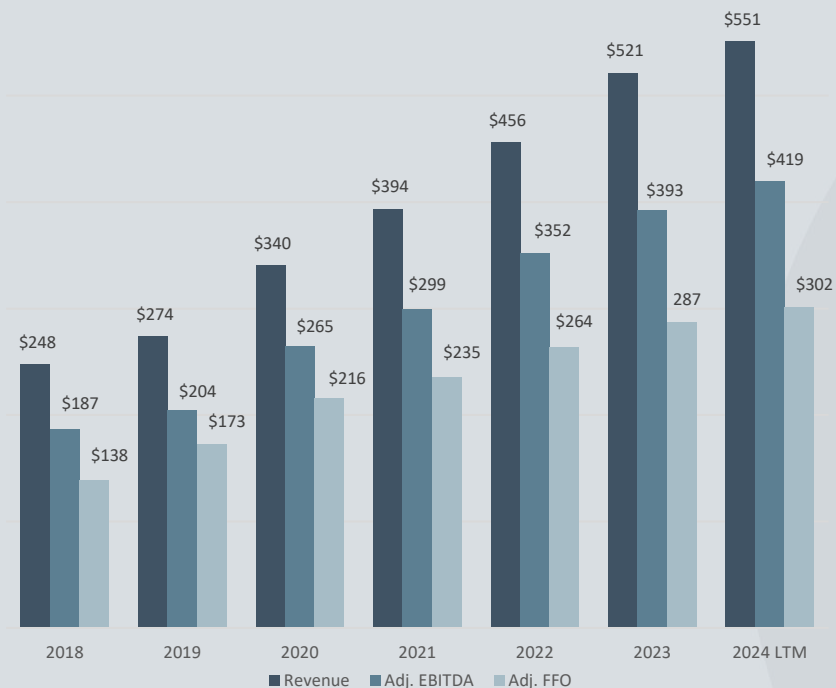
- Invest opportunistically in evolving property types and markets benefiting from technological advancement
- Cold storage (Food & Pharma)
- Multi-level fulfillment
- Transport facilities

Focusing on characteristics that meet current and evolving user demand

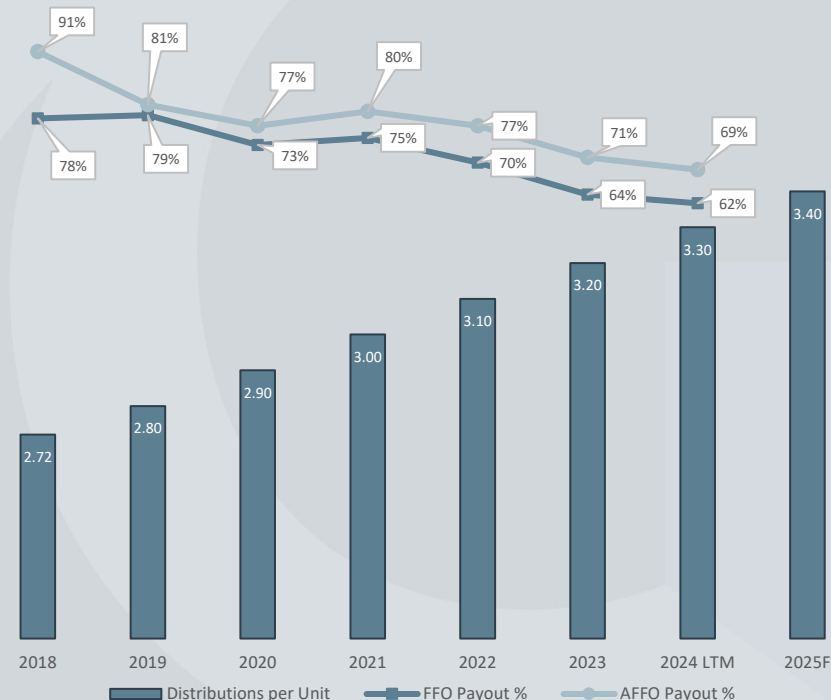
FINANCIAL PERFORMANCE



Historical Operating Performance (\$M)²



Distributions and Payout Ratios^{1,2}



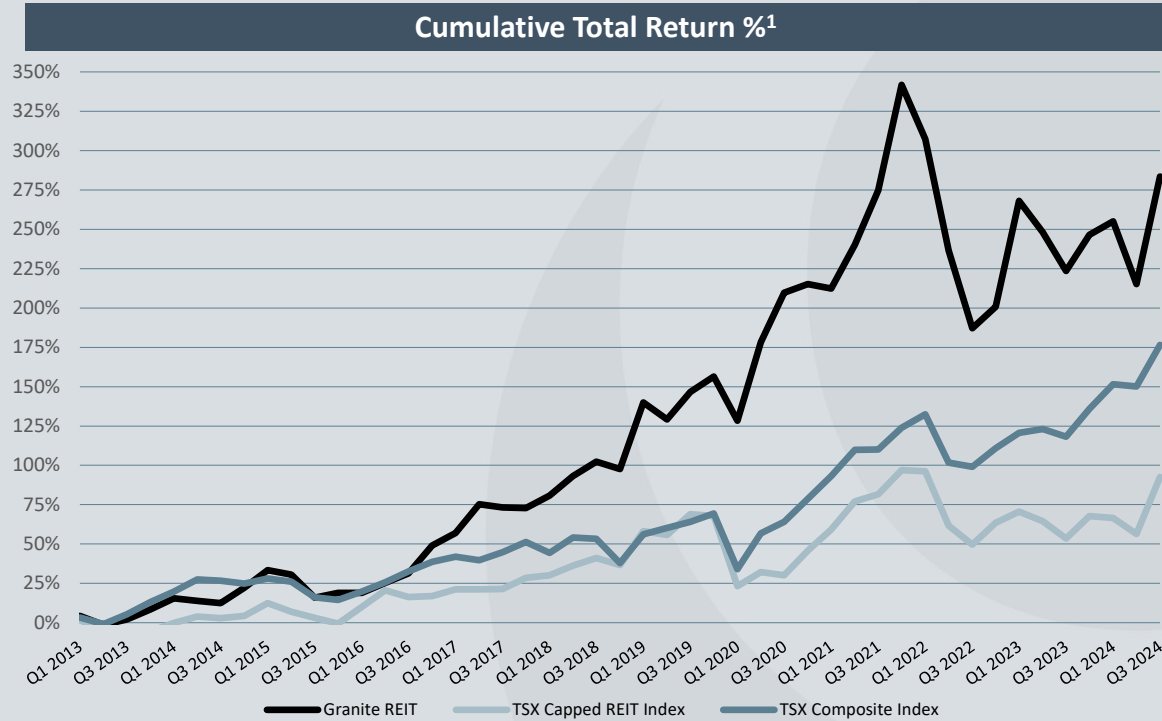
Consistent annual revenue and FFO growth. Distribution increase of 3.0% effective for 2025.

¹ 2019 Distributions excludes the special distribution paid in January 2019 of \$1.20 per unit.

² For definitions of Granite's non-IFRS performance measures and non-IFRS ratios, refer to Appendix A and B on pages 20 to 22.



Total Return vs TSX Composite & TSX Capped REIT Indices



Granite has outperformed the TSX and Capped REIT Total Return indices on a long-term basis

¹ Total return data is as at September 30, 2024.

GLOBALLY DIVERSIFIED PORTFOLIO



5 countries – 143 properties – 63.3 million square feet

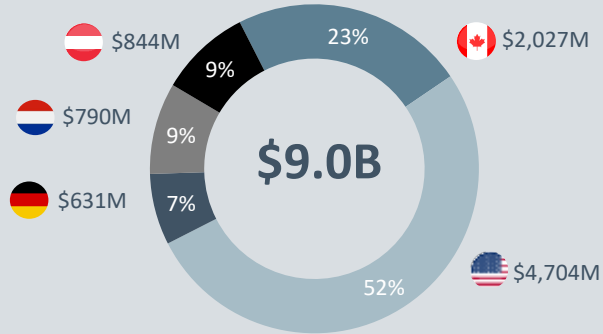


Global footprint with scale in North America & Western Europe

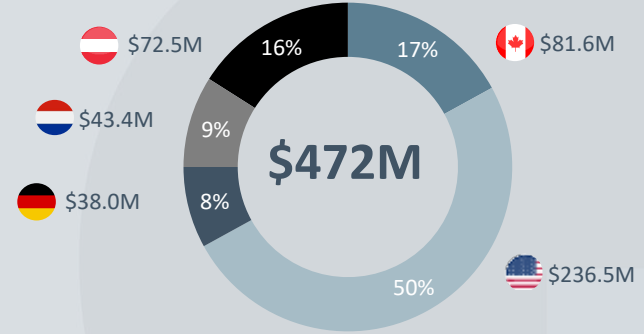
PORTFOLIO SEGMENTATION BY GEOGRAPHY



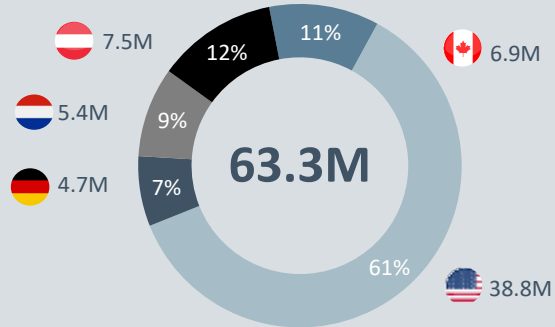
By Income Producing Property Fair Value



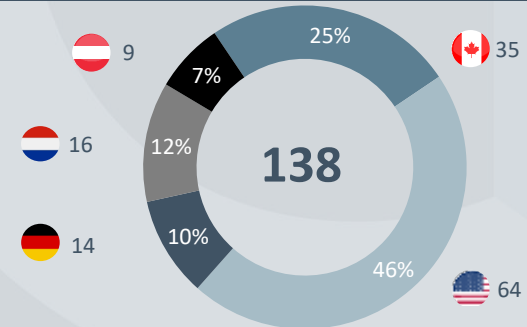
By Annualized Revenue



By Square Feet



By Number of Income-Producing Properties



Geographically diversified asset base

IPP PORTFOLIO SEGMENTATION BY CATEGORY

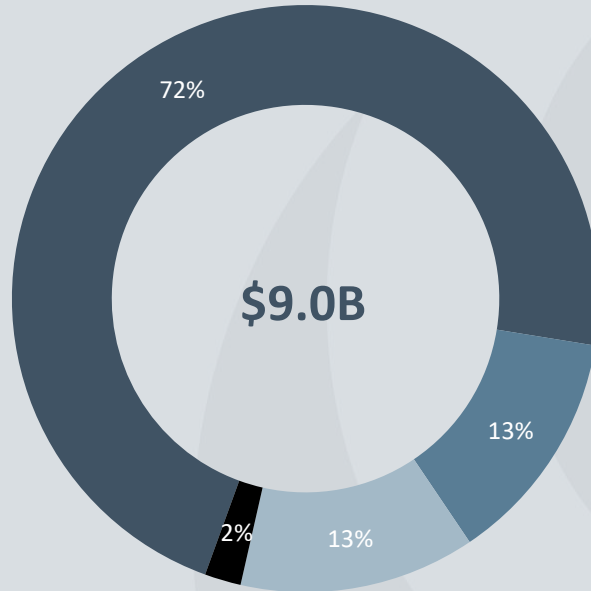


Distribution/E-commerce Properties

96 Properties
 48.9M SF (~509K SF/property)
 \$6.5B Fair Value (~\$133/SF): 72%
 WALT: 5.7 years
 \$319.6M Annualized Revenue(~\$6.54/SF): 68%
 Magna Concentration: 1%
 Concentration in the GTA (rev): 8%
 Clear Height: 35'
 Average Age: 11 Yrs
 Overall Cap Rate: 4.98%

Flex/Office

3 Properties
 0.6M SF (~203K SF/property)
 \$0.2B Fair Value (~\$252/SF) : 2%
 WALT: 5.3 years
 \$9.4M Annualized Revenue (~\$15.42/SF): 2%
 Magna Concentration: 28%
 Concentration in the GTA (rev): 40%
 Clear Height: 27'
 Average Age: 24 Yrs
 Overall Cap Rate: 5.97%



Industrial/Warehouse

32 Properties
 5.0M SF (~156K SF/property)
 \$1.1B Fair Value(~\$228/SF): 13%
 WALT: 3.8 years
 \$53.7M Annualized Revenue(~\$10.78/SF): 11%
 Magna Concentration: 81%
 Concentration in the GTA (rev): 66%
 Clear Height: 32'
 Average Age: 37 Yrs
 Overall Cap Rate: 4.84%

Special Purpose

7 Properties (2 GTA, 1 Germany, 4 Austria)
 8.9M SF (~1,268K SF/property)
 \$1.2B Fair Value (~\$137/SF): 13%
 WALT: 8.3 years
 \$89.3M Annualized Revenue(~\$10.06/SF): 19%
 Magna Concentration: 91%
 Concentration in the GTA (rev): 20%
 Clear Height: 31'
 Average Age: 55 Yrs
 Overall Cap Rate: 7.11%
 Cap Rate in Canada / Europe: 4.56% / 8.35%

IPP Total Fair Value of \$9.0B with an overall WALT of 5.9 years

LEASE EXPIRATION PROFILE



Outstanding Lease Expiries by Annualized Revenue

Annualized Revenue

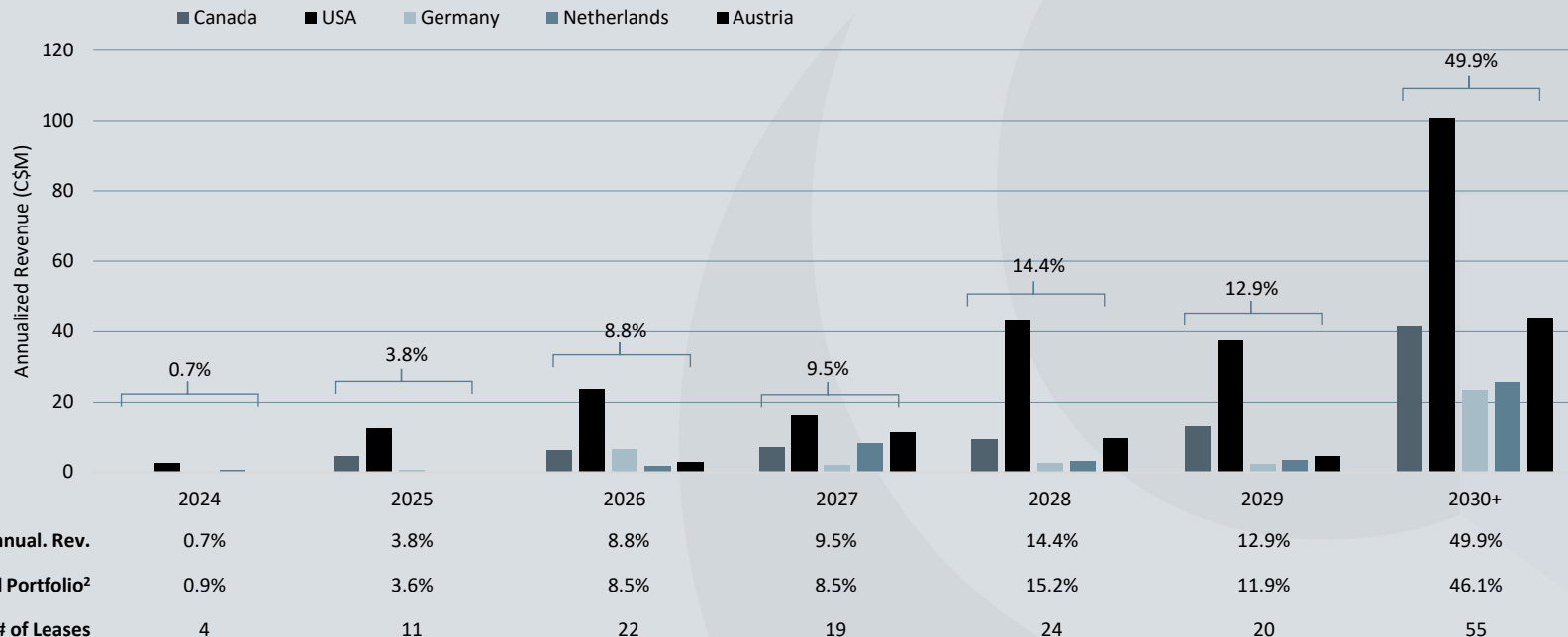
\$472M

Overall WALT

5.9 Years

Committed Occupancy¹

94.7%













Staggered and geographically diversified lease maturity profile

¹ Committed occupancy includes leases signed up until November 6, 2024 on vacant GLA commencing after the current period end.

² As at November 6, 2024.

HIGH QUALITY & CREDITWORTHY TENANT BASE



Top 10 Tenants		Annualized Revenue %	GLA %	WALT	Credit Rating ^{1,2}
Magna		27.4%	19.2%	6.7	A-
Amazon		4.0%	3.9%	14.4	AA
Mars Petcare US		2.6%	3.5%	5.8	NR
True Value Company		2.1%	2.2%	16.4	NR
ADESA		1.8%	0.3%	4.8	B-
Light Mobility Solutions GmbH		1.6%	1.3%	11.2	NR
Restoration Hardware		1.6%	1.9%	3.6	B1
Ceva Logistics US Inc.		1.6%	1.6%	0.3	B1
Hanon Systems		1.5%	0.7%	6.4	AA-
Samsung Electronics America		1.5%	1.2%	2.0	AA-
Top 10 Tenants		45.7%	35.8%	7.3	

Other Tenants



Diverse non-Magna tenants each comprising no more than 5% of Revenue and GLA

¹ Credit rating is quoted on the S&P or equivalent rating scale where publicly available. NR refers to Not Rated.

² The credit rating indicated may, in some instances, apply to an affiliated company of Granite's tenant which may not be the guarantor of the lease.

BALANCE SHEET STRENGTH¹



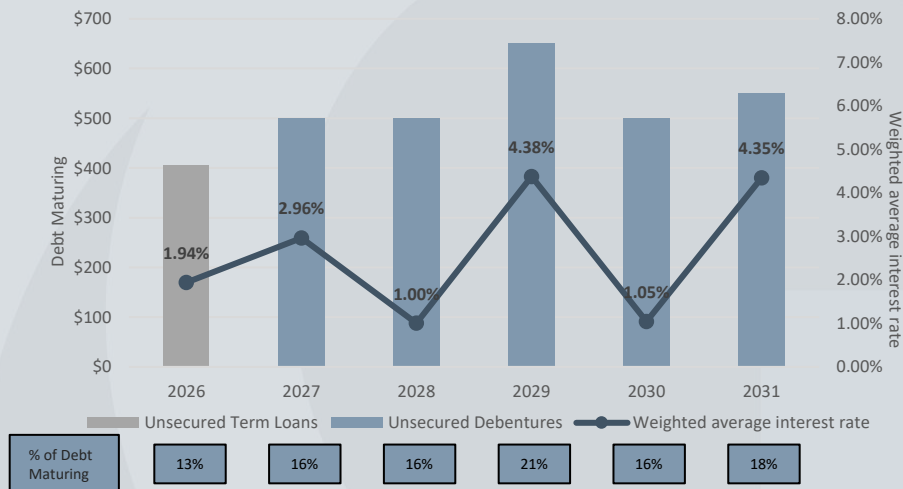
Capitalization

Unit Price (11/01/2024)	\$74.54
Units Outstanding	62.7
Market Capitalization²	\$4,677
US\$185M Term Loan due Dec/24	\$0
€70M Term Loan due Sep/26	\$105
\$300M Term Loan due Dec/26	\$300
Debentures 3.062% due Jun/27	\$500
Debentures 2.194% due Aug/28	\$500
Debentures 6.074% due Apr/29	\$400
Debentures 3.999% due Oct/29	\$250
Debentures 2.378% due Dec/30	\$500
Debentures 4.348% due Oct/31	\$550
Debt⁴	\$3,105
Less: Cash and Cash Equivalents	(\$143)
Add: Non-controlling Interests	\$7
Enterprise Value²	\$7,646

Debt Metrics³

LTM Adj. EBITDA / LTM Interest	5.2x
Net Debt / LTM Adj. EBITDA	7.0x
LTM FFO / Net Debt	10%
Net Debt / Fair Value of Investment Properties	32%
Unencumbered Assets / Unsecured Net Debt	3.1x
Secured Debt / Fair Value of Investment Properties	0%

Debt Maturity Profile



Weighted average cost of debt	2.75%
Weighted average debt term-to-maturity	4.6 Years

Cash and Cash Equivalents	\$143
Credit Facility Available	\$997
Total Available Liquidity³	\$1,140

Sector leading balance sheet with significant liquidity and fully unencumbered assets

¹ Reflects adjustments for subsequent events. Refer to the "Subsequent Events" section in Appendix C on page 23.

² Market capitalization and enterprise value are as at November 1, 2024.

³ For definitions of Granite's non-IFRS performance measures and non-IFRS ratios, refer to Appendix A and B on pages 20 to 22.

⁴ Debt excludes swap mark-to-market assets/liabilities and lease obligations.

FINANCIAL FLEXIBILITY & TARGET LONG-TERM LEVERAGE RATIO¹



- Strong balance sheet provides pathway for measured growth with potential for further diversification and optimization of the portfolio
- Target long term net leverage ratio¹ of ~30 - 35% and net-debt-to-EBITDA of 6 - 7x 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

RATING AGENCY COMMENTARY



Moody's 09/20/2024: Baa2 (Stable)

"Granite's credit profile reflects its stable operating cash flow generated by its high-quality logistics, warehouse and industrial portfolio, material tenant concentration, elevated net debt to EBITDA, and strong fixed charge coverage. The REIT's operating metrics are solid with consistently high occupancy levels, good leasing volume, positive re-leasing spreads and a laddered lease maturity schedule. Tenant concentration via Granite's exposure to the large auto parts supplier Magna (A3 stable), is a credit weakness while geographic diversity in its portfolio is credit positive. Although Granite's effective leverage (debt + preferred as a percentage of gross assets) is modest and fixed charge coverage is solid, its net debt to EBITDA has been weak at above 7x over the last two years. The REIT's liquidity is adequate, supported by almost full availability on its revolver and a fully unencumbered asset base."



Morningstar DBRS 03/26/2024: BBB(high) (Stable)

"The Stable trends consider a gradual improvement of Granite's diversification business risk assessment (BRA) factor by way of property level concentration, and visibility towards lower trending leverage as measured by total debt-to-EBITDA, while maintaining a relatively strong EBITDA interest coverage ratio. Morningstar DBRS' medium term financial risk assessment include assumptions of (1) future growth funded with a mix of debt, equity and cash on hand; (2) EBITDA interest coverage ratio remaining above 4.0x; (3) modest same property net operating income (SPNOI) growth; and (4) tempered development activity. All else equal, Morningstar DBRS would consider a positive rating action should the Trust achieve a Morningstar DBRS total debt-to-EBITDA of 7.2x or better on a sustained basis, while maintaining a Morningstar DBRS EBITDA interest coverage ratio above 4.0x on a sustained basis."

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

¹ For definitions of Granite's non-IFRS performance measures and non-IFRS ratios, refer to Appendix A and B on pages 20 to 22.

LEADERSHIP TEAM



Kevan Gorrie

President and Chief Executive Officer



Teresa Neto

Chief Financial Officer



Lorne Kumer

Executive Vice President,
Head of Global Real Estate



Michael A. Ramparas

Executive Vice President, Global
Real Estate & Head of Investments



Witsard Schaper

Senior Vice President,
Head of Europe based in Amsterdam



Lawrence Clarfield

Executive Vice President,
General Counsel and Corporate Secretary



Jon Sorg

Senior Vice President,
Head of U.S. based in Dallas



INVESTOR RELATIONS CONTACT

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- ❖ The following non-IFRS performance measures and non-IFRS ratios are important measures used by management in evaluating the Trust's underlying operating performance and debt management. These non-IFRS performance measures and non-IFRS ratios are not defined by IFRS and do not have standard meanings. The Trust's method of calculating non-IFRS performance measures may differ from other issuers' methods and, accordingly, may not be comparable with similar measures presented by other issuers. All non-IFRS performance measures as well as non-IFRS ratios shown within this presentation have been adjusted for subsequent events. Please refer to section C of this Appendix for details on the Trust's subsequent events.

A) NON-IFRS PERFORMANCE MEASURES AND RATIOS

Funds from operations

FFO is a non-IFRS performance measure that is widely used by the real estate industry in evaluating the operating performance of real estate entities. Granite calculates FFO as net income attributable to stapled unitholders excluding fair value gains (losses) on investment properties and financial instruments, gains (losses) on sale of investment properties including the associated current income tax, deferred income taxes, corporate restructuring costs and certain other items, net of non-controlling interests in such items. The Trust's determination of FFO follows the definition prescribed by the Real Estate Property Association of Canada ("REALPAC") guidelines on Funds From Operations & Adjusted Funds From Operations for IFRS dated January 2022 ("REALPAC Guidelines") except for the exclusion of corporate restructuring costs. Granite considers FFO to be a meaningful supplemental measure that can be used to determine the Trust's ability to service debt, fund capital expenditures and provide distributions to stapled unitholders. FFO is reconciled to net income, which is the most directly comparable IFRS measure (see "RESULTS OF OPERATIONS - Funds From Operations and Adjusted Funds From Operations" for the reconciliation of FFO to net income for the periods presented). FFO should not be construed as an alternative to net income or cash flow provided by operating activities determined in accordance with IFRS.

Adjusted funds from operations

AFFO is a non-IFRS performance measure that is widely used by the real estate industry in evaluating the recurring economic earnings performance of real estate entities after considering certain costs associated with sustaining such earnings. Granite calculates AFFO as net income attributable to stapled unitholders including all adjustments used to calculate FFO noted above, and further adjusts for actual maintenance capital expenditures that are required to sustain Granite's productive capacity, leasing costs such as leasing commissions and tenant allowances incurred and non-cash straight-line rent and tenant incentive amortization, net of non-controlling interests in such items. The Trust's determination of AFFO follows the definition prescribed by the REALPAC Guidelines, except for the exclusion of corporate restructuring costs as noted above. Granite considers AFFO to be a meaningful supplemental measure that can be used to determine the Trust's ability to service debt, fund expansion capital expenditures, fund property development and provide distributions to stapled unitholders after considering costs associated with sustaining operating earnings. AFFO is also reconciled to net income, which is the most directly comparable IFRS measure (see "RESULTS OF OPERATIONS - Funds From Operations and Adjusted Funds From Operations" for the reconciliation of AFFO to net income for the periods presented). AFFO should not be construed as an alternative to net income or cash flow provided by operating activities determined in accordance with IFRS.

Net operating income - cash basis

Granite uses NOI on a cash basis, which adjusts NOI to exclude lease termination and close-out fees, and the non-cash impact from straight-line rent and tenant incentive amortization recognized during the period. NOI - cash basis is a commonly used measure by the real estate industry and Granite believes it is a useful supplementary measure of the income generated by and operating performance of income-producing properties in addition to the most comparable IFRS measure, which Granite believes is NOI. NOI - cash basis is also a key input in Granite's determination of the fair value of its investment property portfolio.



Same property net operating income - cash basis

Same property NOI - cash basis refers to the NOI - cash basis for those properties owned by Granite throughout the entire current and prior year periods under comparison. Same property NOI - cash basis excludes properties that were acquired, disposed of, classified as development properties or assets held for sale during the periods under comparison. Granite believes that same property NOI - cash basis is a useful supplementary measure in understanding period-over-period organic changes in NOI - cash basis from the same stock of properties owned.

Constant currency same property NOI – cash basis

Constant currency same property NOI – cash basis is a non-GAAP measure used by management in evaluating the performance of properties owned by Granite throughout the entire current and prior year periods on a constant currency basis. It is calculated by taking same property NOI as defined above and excluding the impact of foreign currency translation by converting the same property NOI denominated in foreign currency in the respective periods at the current period average exchange rates.

Adjusted earnings before interest, income taxes, depreciation and amortization (“Adjusted EBITDA”)

Adjusted EBITDA is calculated as net income attributed to stapled unitholders before lease termination and close-out fees, interest expense, interest income, income tax expense, depreciation and amortization expense, fair value gains (losses) on investment properties and financial instruments, other expense relating to real estate transfer tax and loss on the sale of investment properties, net of non-controlling interests in such items. Adjusted EBITDA, calculated on a 12-month trailing basis (“trailing 12-month adjusted EBITDA”), represents an operating cash flow measure that Granite uses in calculating the interest coverage ratio and indebtedness ratio noted below. Adjusted EBITDA is also defined in Granite’s debt agreements and used in calculating the Trust’s debt covenants.

Available Liquidity

Available liquidity is a non-IFRS performance measure defined as the sum of cash and cash equivalents and the unused portion of the Credit Facility. Granite believes that available liquidity is a useful measure to investors in determining the Trust’s resources available as at period-end to meet its ongoing obligations and future commitments.

Total Debt and Net Debt

Total debt is a non-IFRS performance measure calculated as the sum of all current and non-current debt, the net mark to market fair value of derivatives and lease obligations as per the consolidated financial statements. Net debt subtracts cash and cash equivalents from total debt. Granite believes that it is useful to include the derivatives and lease obligations for the purposes of monitoring the Trust’s debt levels.

APPENDIX



B) NON-IFRS RATIOS

FFO and AFFO payout ratios

The FFO and AFFO payout ratios are calculated as monthly distributions, which exclude special distributions, declared to unitholders divided by FFO and AFFO (non-IFRS performance measures), respectively, in a period. FFO payout ratio and AFFO payout ratio may exclude revenue or expenses incurred during a period that can be a source of variance between periods. The FFO payout ratio and AFFO payout ratio are supplemental measures widely used by analysts and investors in evaluating the sustainability of the Trust's monthly distributions to stapled unitholders.

Interest coverage ratio

The interest coverage ratio is calculated on a 12-month trailing basis using Adjusted EBITDA (a non-IFRS performance measure) divided by net interest expense. Granite believes the interest coverage ratio is useful in evaluating the Trust's ability to meet its interest expense.

Indebtedness ratio

The indebtedness ratio is calculated as total debt (a non-IFRS performance measure) divided by Adjusted EBITDA (a non-IFRS performance measure) and Granite believes it is useful in evaluating the Trust's ability to repay outstanding debt using its operating cash flows.

Leverage and net leverage ratios

The leverage ratio is calculated as the carrying value of total debt (a non-IFRS performance measure) divided by the fair value of investment properties (excluding assets held for sale) while the net leverage ratio subtracts cash and cash equivalents from total debt. The leverage ratio and net leverage ratio are supplemental measures that Granite believes are useful in evaluating the Trust's degree of financial leverage, borrowing capacity and the relative strength of its balance sheet.

Unencumbered asset coverage ratio

The unencumbered asset coverage ratio is calculated as the carrying value of investment properties (excluding assets held for sale) that are not encumbered by secured debt divided by the carrying value of total unsecured debt and is a supplemental measure that Granite believes is useful in evaluating the Trust's degree of asset coverage provided by its unencumbered investment properties to total unsecured debt.



C) SUBSEQUENT EVENTS

Stapled Unit Structure

On October 1, 2024, Granite completed the uncoupling of its stapled unit structure by replacing it with a conventional REIT trust unit structure (the “Arrangement”). As a result of and immediately following the Arrangement, each Granite unitholder held a number of Granite Real Estate Investment Trust (“Granite REIT”) units equal to the number of stapled units held prior to completion of the Arrangement, and Granite REIT Inc. has become a wholly-owned subsidiary of Granite REIT. On October 3, 2024, the stapled units were delisted from the TSX and the NYSE, and the Granite REIT units trade on the TSX and the NYSE under the same ticker symbols “GRT.UN” and “GRP.U”, respectively. In connection with the completion of the Arrangement, Granite REIT Inc. applied to cease to be a reporting issuer and ceased to be a reporting issuer on November 4, 2024. Further information on the Arrangement, including Canadian and US tax implications can be found at www.granitereit.com/unwind-of-stapled-unit-structure.

Issuance of Unsecured Debentures

On October 4, 2024, Granite REIT Holdings Limited Partnership (“Granite LP”) completed an offering of \$800 million aggregate principal amount of senior unsecured debentures in two series (the “Offering”), which includes (i) \$250 million aggregate principal amount of 3.999% Series 8 senior unsecured debentures due October 4, 2029 (the “October 2029 Debentures”) and (ii) \$550 million aggregate principal amount of 4.348% Series 9 senior unsecured debentures due October 4, 2031 (the “2031 Debentures”). The October 2029 Debentures and the 2031 Debentures are guaranteed by Granite REIT and Granite REIT Inc. Granite LP intends to use the remaining net proceeds from the Offering to refinance existing debt, including its US\$185 million senior unsecured non-revolving term facility, to be repaid upon maturity on December 19, 2024, and for general corporate purposes.

On October 4, 2024, Granite LP also entered into a cross currency interest rate swap to exchange the Canadian dollar denominated principal and interest payments related to the October 2029 Debentures for Euro denominated principal and interest payments, resulting in an effective fixed interest rate of 3.494% for the five year term of the October 2029 Debentures.

2025 Term Loan Repayment

On October 4, 2024, Granite LP repaid in full the outstanding US\$400.0 million aggregate principal amount of the 2025 Term Loan, which had a maturity date of September 15, 2025, using the net proceeds from the Offering. The 2025 Term Loan was fully prepayable without penalty. In conjunction with the repayment, the 2025 Interest Rate Swap was terminated and the related mark to market asset was settled on October 4, 2024.

Increase in Distributions

On November 6, 2024, Granite increased its targeted annualized distribution by 3.03% to \$3.40 (\$0.2833 per month) per unit from \$3.30 (\$0.2750 per month) per unit to be effective upon the declaration of the distribution in respect of the month of December 2024 and payable in mid-January 2025.