



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

June 4, 2020

FORWARD LOOKING STATEMENTS



- Unless otherwise indicated in this presentation, all information is presented as of December 31, 2019 and all financial information that is identified as current refers to the twelve months ending December 31, 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 2019 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 impact of the COVID-19 pandemic and government measures to contain it, and the resulting economic downturn, on Granite’s business, operations and financial condition; the risk that pandemic or such measures intensify; the duration of the pandemic and related impacts; 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 4, 2020 (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 DECEMBER 31, 2019



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/land

40M square feet

\$4.5B in property value

High quality and creditworthy tenant base

6.5 years of weighted average lease term

FINANCIAL PERFORMANCE

81% AFFO POR

21% net leverage ratio

GRT.UN on TSX and GRP.U on NYSE

Market Cap. of ~\$3.7B and EV of ~\$4.6B

Investment grade ratings with stable outlook (BBB / Baa2)

8 consecutive annual distribution increases

- Market capitalization and enterprise value are as at February 28, 2020.
- Granite investment grade ratings are as per DBRS/Moody's.

2019 CORPORATE OBJECTIVES RECAP



Increase Scale in Target Markets

2019 Acquisitions totaled **\$960.4M⁽¹⁾**



1301 Chalk Hill Road, Dallas, TX

Drive Net Asset Value, FFO & AFFO Per Unit Growth

NAVPU of **\$65.67**
FFOPU of **\$3.62 (-1.6%)**
AFFOPU of **\$3.53 (+17.3%)**



Execute on Development Projects

2019 Development spend of **\$27.4M**



2020 Logistics Drive, Mississauga, ON

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

2019 Dispositions gross proceeds of **\$105.8M**



Enhance Platform Capabilities in Europe and the U.S.

Appointments of **Witsard Schaper**, Head of Europe & **Jon Sorg**, Head of U.S.; **Amsterdam office** opened July 2019



330-366 Stateline Road East, Southaven, MS

Reduce Magna Concentration to <50% by Revenue

Magna as a percentage of annual revenue of **42%**



Granite's 2019 corporate objectives were met or exceeded with exception of dispositions

⁽¹⁾ Includes \$33.4M of land acquired in Houston, TX.

2019 MAJOR MILESTONES



Strategic Allocation of Capital

\$960.4M invested in modern assets in key e-commerce and distribution markets in Canada, US and NED at an average incoming yield of 5.5%

\$105.8M generated from the sale of 13 non-core assets in the US and Canada

\$525M in gross proceeds from two equity offerings; 83% allocated to institutional investors

~\$540M in unsecured term loans extended and refinanced; weighted avg. term of 6.1 years and a weighted avg. interest rate of 0.98%

Net leverage ratio of 21% providing approximately \$900M in debt capacity and \$800M in liquidity

\$193.3M of additional commitments made to acquire or develop properties in 2020

Financial & Operating Performance

FFOPU change year over year of (1.6%), reflective of \$525M in equity financing supporting ~\$1B of investment; and AFFOPU growth of 17.3%

Same property NOI year over year growth of 4.5% on a constant currency basis

Occupancy rate at year end of 99.1%

2.8M SF of lease expiries renewed or re-leased at an average increase in base rent of 7.7%

Portfolio Enhancement / Diversification

Reduced Magna concentration from 47% to 35% of GLA and from 54% to 42% of annualized revenue

Acquired 12 properties totaling 8.5M SF in key distribution markets in GTA, US and NED

Organizational Improvements

Appointments of Witsard Schaper, Head of Europe and Jon Sorg, Head of US; opening of Amsterdam office July 2019

New long term incentive plan implemented for senior management to enhance alignment with unitholders

Environmental, Social & Governance

Sustainability Plan implemented, > \$1.7M spent on energy-conservation & climate change adaption measures in 2019

ESG COMMITMENT



ENVIRONMENTAL

\$5.5M invested in **energy-saving** measures from 2017-2019

~**8.7M SF** equipped with **LED lighting**

~**8.5M SF** equipped with **low-absorption membrane roofing**

Green certifications on Development:
Altbach, Germany – **DGNB Gold**
Plainfield, IN – **Two Green Globes**

Utility Usage data collection initiated with 26 committed tenants

Paper reduction measures: On-line Board portal; DocuSign; Notice and Access for AGM, SAP Concur

SOCIAL

Community support with over **\$65K & 400 volunteer** hours contributed to charities

Emotional and Family Support: **Employee and Family Assistance Program**

Transit & Fitness Allowance; **Work From Home**; above-market **Leave** policies

Cultural Diversity:
25% Minority representation

Female Representation:
49% of total employees
33.3% of executive team
18% of Senior Management

GOVERNANCE

100% **independent** Board excluding CEO

Robust governance policies underpinned by **Code of Conduct** and **Ethics** policy

Diversity Policy exceeded:
33.3% of Trustees/Directors are **Female**

New **“Say-On-Pay”** and Trustee/Director **Term Limit** policies implemented in 2020

Director/Trustee and Executive **unit ownership** requirements

COMMITMENT TO GREEN INVESTMENTS



Solar panels on BREEM Very Good Certified Green Building in Weert, the Netherlands



Development project in Bleiswijk, the Netherlands expected to obtain BREEM Excellent Green Building Certification

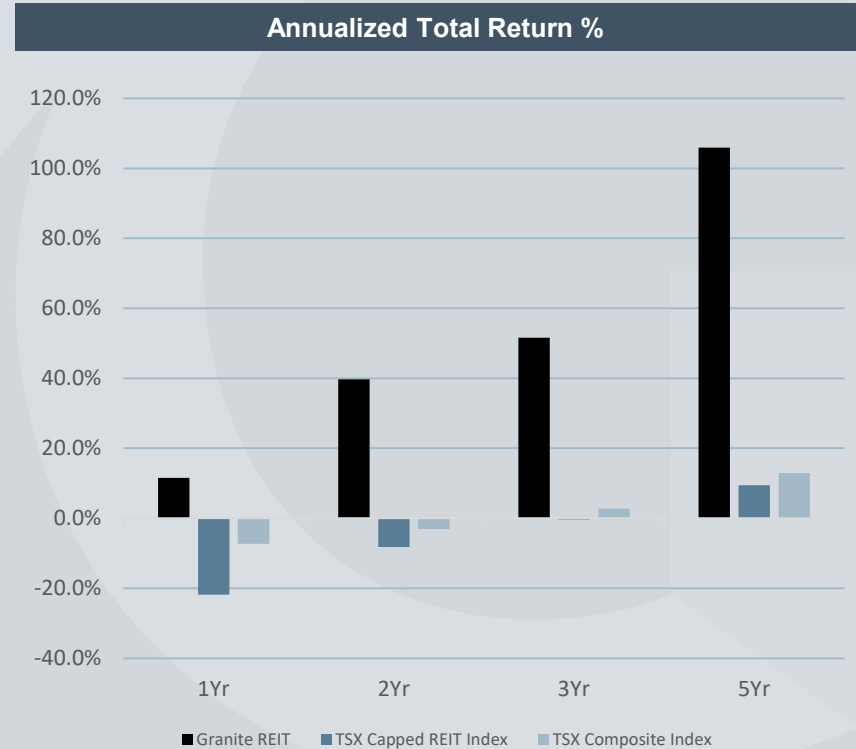
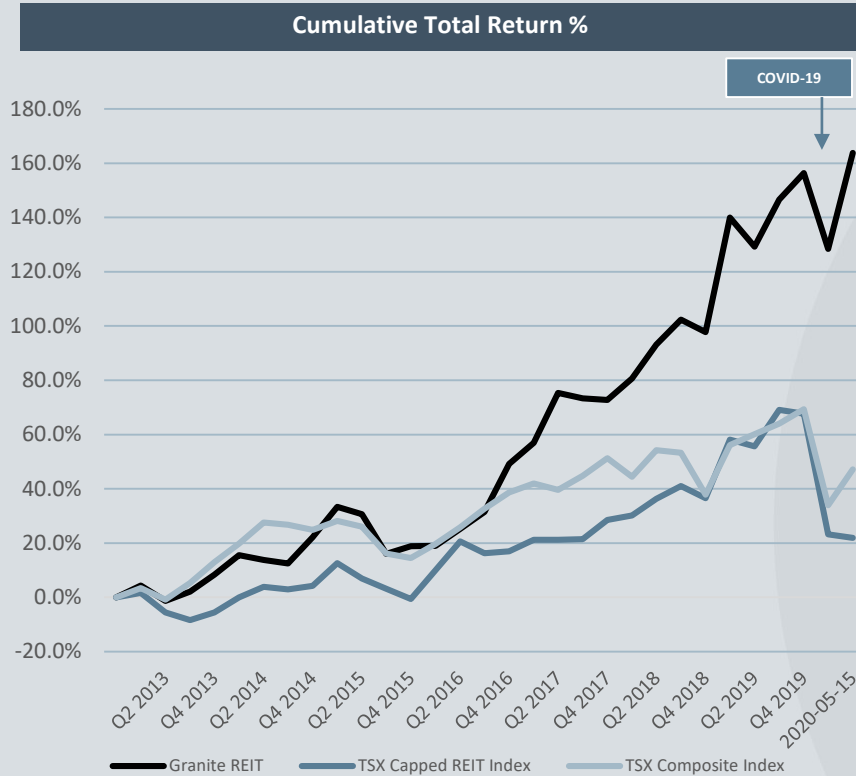


Development project in Plainfield, Indiana, substantially completed with Two Green Globes Green Building certification obtained

GRT HISTORICAL PERFORMANCE – LONG TERM



Total Return vs TSX Composite & TSX Capped REIT Indices



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

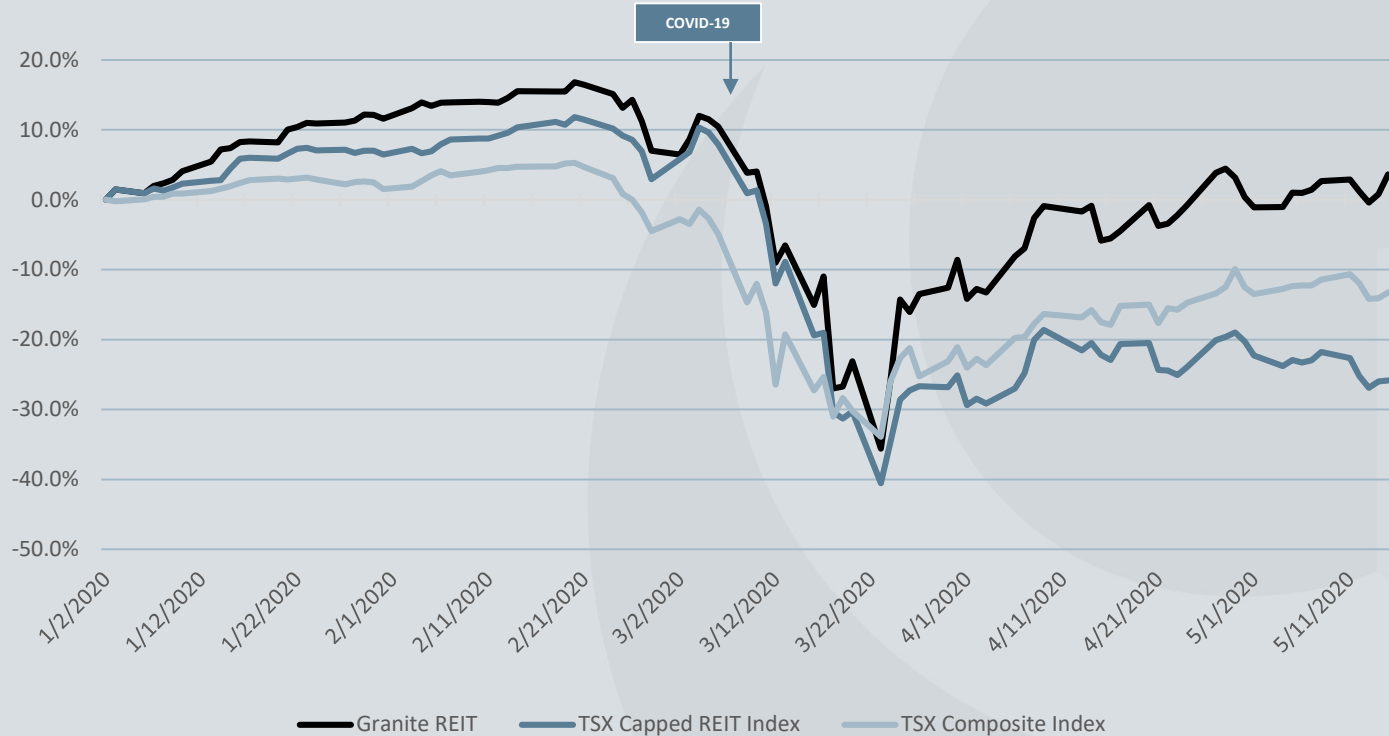
June 4, 2020

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• Total return data sourced from Bloomberg and is as at May 15, 2020.



Total Return vs TSX Composite & TSX Capped REIT Indices



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

2020 CORPORATE OBJECTIVES



Increase scale in target markets

\$281.6M in closed and committed acquisitions and development projects in 2020

Reduce Magna concentration <40% by annualized revenue

Magna concentration of **35%** of GLA and **41%** of annualized revenue

Execute on Development Projects

Development Projects in Plainfield, IN and NED completed or on schedule

Enhanced ESG program

2020 **ESG Update** to be published in Q2



Allpoints Development, Plainfield, IN



Ahold E-commerce Facility, Bleiswijk, Netherlands

NAV/FFO/AFFO Per Unit Growth

Q1 2020 **AFFOPU** growth over prior year of **18.4%**

Maintain conservative capital ratios

Q1 2020
Net Debt to EBITDA **4.9x**

Expand Inv/Asset Management teams in US, Europe

Proceeding with new appointments as planned

Dispose of select non-core assets

Dispositions likely to slow in 2020

Leveraging the balance sheet & platform to generate long-term unitholder value

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

THANK YOU

INVESTOR RELATIONS CONTACT

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Children's Charity Event in Vienna



Habitat for Humanity Build Day



Canadian Blood Services Group Donation