



Annual Report
2025

Table of Contents

Letter to Unitholders	1
Management's Discussion and Analysis of Results of Operations and Financial Position	6
Consolidated Combined Balance Sheets	89
Consolidated Combined Statements of Net Income	90
Consolidated Combined Statements of Comprehensive Income	91
Consolidated Combined Statements of Unitholders' Equity	92
Consolidated Combined Statements of Cash Flows	93
Notes to Consolidated Combined Financial Statements	94
Corporate Information	Inside back cover

LETTER TO UNITHOLDERS

Dear Unitholders:

2025 was a year characterized by elevated macroeconomic uncertainty. Global protectionist actions including the potential implications of new and proposed tariffs, persistent inflationary pressure, and concerns regarding the future path of interest rates all contributed to a cautious operating environment in the first half of the year. As conditions gradually stabilized, business activity accelerated in the second half of 2025, with meaningful improvements observed across the majority of our portfolio markets, both in leasing and investment terms. Leasing momentum improved throughout Granite's target geographies as tariff-related uncertainty diminished and occupier demand increased for modern, well located distribution space. Similarly, investment activity strengthened, as bid-ask spreads narrowed and interest rate volatility moderated, with institutional investors increasingly favouring newer core product with embedded growth potential.

Against this backdrop, Granite established and delivered on five key priorities for 2025:

- Driving Funds from Operations¹ ("FFO") and preserving net asset value ("NAV") while maintaining conservative capital ratios;
- Actively managing its income-producing portfolio and recently completed developments, focusing on new and renewal leasing;
- Executing on its capital redeployment plan, and pursuing opportune income-producing property acquisitions in target markets with strong long term growth prospects while disposing of select non-strategic assets;
- Executing on its development project in the U.S. and assessing other development, re-development and expansion opportunities in the U.S., Europe, and the GTA; and
- Advancing Granite's Environmental, Social, Governance and Resilience ("ESG+R") program and meeting or exceeding established targets and compliance requirements.

Granite's performance in 2025 demonstrates the resilience and quality of its portfolio. Despite operating through another period of challenging and uncertain market conditions, the Trust generated strong and stable financial results. In-place occupancy improved for the first time since 2022, ending the year at 98%, an increase of 310 bps year-over-year, as occupier demand demonstrated a strong preference for class A distribution space. Excluding the duplication of month to month leasing, Granite executed 4.5 million square feet of renewal leasing on its 2025 maturities, representing a 92% retention rate, and achieved an average rental rate increase of a remarkable 48%, reflecting strong leasing fundamentals across the portfolio.

Supported by these results, FFO¹ per unit grew by 8.6% year over year, and constant currency same property net operating income - cash basis¹ increased by 5.6%. Consistent and sustainable growth in FFO¹ allowed Granite to increase its annual distribution for the fifteenth consecutive year, with a \$0.15 per unit increase (4.4%) commencing in 2026. Granite's compound annual FFO¹ per unit growth rate from 2021 through the 2026 outlook (midpoint) is projected to be 10%, demonstrating long-term operating strength and prudent capital allocation.

Stable & Strong Operating Performance



NAV per unit increased approximately 1% year over year, driven primarily by solid net operating income growth, positive leasing spreads, stabilization of the majority of our development and expansion projects, and accretion from the Trust's normal course issuer bid ("NCIB") program, partially offset by the unfavourable impact of unrealized foreign exchange losses on Granite's balance sheet.

Given the favourable conditions in the investment market, combined with the continued disconnect between private and public valuations, Granite embarked on an active capital redeployment plan. Granite completed \$341.8 million of acquisitions, including entering dynamic new markets in south Florida and the United Kingdom, while executing \$189.5 million of non-strategic asset dispositions in the Trust's higher concentration markets of Indianapolis and Columbus. Development also remains a central component of Granite's growth strategy, with its build-to-suit project in Houston progressing on schedule toward completion in late 2026.

In the first half of the year, Granite's share price was trading at a significant discount to NAV and Granite opportunistically repurchased \$144.6 million of equity under its NCIB program, representing 2.2 million units at an average cost of \$67.01 per unit, driving deeply accretive value for unitholders. Granite further optimized its capital structure by refinancing a 2026 term loan through the issuance of its inaugural floating rate note, generating interest expense savings of \$0.03 per unit per annum through to December 2026. The Trust ended 2025 with \$0.9 billion of available liquidity¹; a weighted average cost of debt at a stable and attractive rate of 2.72%; and net leverage¹ and net debt¹-to-EBITDA remaining conservative at 35% and 7.0x, respectively.

Granite's leadership in sustainability was again recognized in 2025. The Trust achieved first place among its North American peers from the Global Real Estate Sustainability Benchmark ("GRESB") for the third consecutive year. Significant progress was made across the ESG+R program, including disclosure improvements, advancement of resource efficiency related initiatives, and allocation of Green Bond proceeds in accordance with Granite's Green Bond Framework.

These results were made possible by the continued dedication, professionalism, and engagement of our team. Granite is honoured to be recognized as one of Greater Toronto's Top Employers and one of Canada's Top Small and Medium Employers in 2025 - achievements that reflect the commitment of our employees and the strength of our culture. I would like to personally thank our employees for their continuing commitment and performance in 2025.

HIGHLIGHTS FOR 2025

Unitholder Return and Distributions

- 22.8% total unitholder return in 2025 (compared to 9.6% for the S&P/TSX Capped REIT Index and 31.7% for the S&P/TSX Composite Index);
- 4.4% increase in the annual distribution to \$3.55 per unit beginning December 2025, marking 15 consecutive years of increases; and
- AFFO payout ratio¹ remained conservative at 65%.

Strategic Capital Allocation

- \$341.8 million deployed into 8 income-producing properties totaling 1.5 million square feet at a weighted average in-going yield of 5.1%;
- \$189.5 million of proceeds generated from the disposition of 3 non-core income-producing properties totaling 1.7 million square feet identified earlier in the year as part of Granite's strategic disposition program and were sold at a weighted average in-going yield of 6.1%;
- \$144.6 million of equity repurchased under the NCIB at an average unit cost of \$67.01;
- \$300.0 million of senior unsecured debentures issued in February 2025 for a 22-month term bearing interest on a floating rate basis of Daily Compounded CORRA plus 0.77% per annum (the "2026 Debentures");
- The net proceeds from the issuance of the 2026 Debentures were used to repay in full, without penalty, the outstanding \$300.0 million term loan facility maturing on December 11, 2026. Together with an existing cross currency interest rate swap, the effective fixed rate on the 2026 Debentures is 0.27% per annum;
- Available liquidity¹ of \$0.9 billion at year end, comprised of \$0.8 billion undrawn Credit Facility and \$139.6 million in cash;
- Net leverage ratio¹ of 35% and net debt¹-to-EBITDA of 7.0x; and
- Maintained a BBB (high) stable credit rating from Morningstar DBRS.

Portfolio Enhancement and Tenant Diversification

- Commenced vertical construction of a new 0.4 million square foot, 36' clear height, state-of-the-art build-to-suit modern distribution facility in Houston, Texas for a global consumer food product company expected to stabilize at a development yield of approximately 7.5%;
- Expanded geographic diversification through entry into Florida and re-entry into the United Kingdom;

- Advanced development planning through site plan approval processes at the Brantford site, which together with the Houston site contribute to a combined \$72 million in projected construction costs, with remaining commitments of \$47 million; and
- Maintained Magna concentration at 19% of gross leasable area, and 26% of annualized revenue.

Financial and Operational Performance

- FFO¹ per unit of \$5.91 and AFFO¹ per unit of \$5.21, representing increases of 8.6% and 7.2%, respectively versus prior year;
- Constant currency SPNOI - cash basis¹ four quarter average growth of 5.6%;
- NAV per unit increased to \$103.43, reflecting the positive impacts from cash flow generated from operations net of unitholder distributions and accretion from the Trust's NCIB purchases, partially offset by the negative impacts of foreign exchange on Granite's investment properties and cross currency interest rate swaps;
- 4.5 million square feet of space renewed on 2025 maturities, representing a 92% retention rate, at a 48% average base rent increase, excluding the impact of month to month leasing;
- 1.2 million square feet of leasing completed at previously vacant space at Granite's recently delivered development sites in the United States and Canada, increasing committed occupancy at those properties from 26% to 91%; and
- Committed occupancy reached 98.6% as at February 25, 2026.

ESG+R Performance

- Ranked 1st among 7 peers in the North American Industrial | Listed | Tenant Controlled category in GRESB, with a 2-star rating, and an improved score of 78;
- Ranked 1st among 10 US Industrial peers in the GRESB Public Disclosure Report, maintaining an "A" rating for the fourth consecutive year;
- Published Granite's 5th annual ESG+R Report; and
- Allocated \$1.2 billion of green bond proceeds to date towards Eligible Green Projects, as defined by Granite's Green Bond Framework, representing 100%, 100%, and 55.9% of the net proceeds of the 2027 Green Bond, the 2028 Green Bond and the 2029 Green Bond, respectively.

OUTLOOK

Granite entered 2026 with positive momentum. Constant currency SPNOI - cash basis¹ growth was 7.9% in the fourth quarter of 2025, and further growth is expected in 2026 due to the recent leasing execution and an increase in occupancy to a committed occupancy of 98.6%. With only a few exceptions, market rent continues to increase across the majority of our portfolio, and leasing spreads remain strong as a result. To date, Granite has renewed 57% of its 6.2 million square feet of 2026 lease maturities at an average rent increase of approximately 10%.

Granite has continued to execute on its capital recycling strategy in early 2026 completing the sale of a 0.2 million square foot non-strategic income-producing property in the Netherlands, for gross proceeds of \$37.6 million (€23.4 million), which were used toward prepaying in full, without penalty, the €50 million term loan maturing in September 2026. The Trust remains active in evaluating additional disposition, acquisition, value-enhancing expansion, and build-to-suit development opportunities, while remaining committed to its sector leading debt metrics.

Despite ongoing global uncertainty - including geopolitical risks, stagnating global economic growth, volatile trade dynamics, and shifts in monetary policy, Granite's high quality portfolio and disciplined strategy position it well for continued resilience, stability and growth. We expect NOI, FFO¹ and NAV per unit growth to remain strong over the coming years, supported by embedded mark-to-market opportunities, strong committed occupancy and strategic value-add activities. Market conditions may continue to be challenging for REITs in the near term, but the combination of a quality portfolio, strong balance sheet, experienced management team and track record of earnings growth should position Granite well for continued strong performance in 2026.

Granite's priorities for the remainder of 2026 remain consistent:

- Driving growth in FFO¹ and NAV per unit while maintaining conservative capital ratios;
- Advancing leasing across the income-producing portfolio to maintain strong occupancy levels and rental-rate growth;
- Executing on capital redeployment including strategic acquisitions of development and income-producing properties in target markets and the disposition of select non-strategic assets;
- Progressing development, redevelopment, and expansion initiatives across the U.S., Europe, and the GTA; and
- Continuing to advance Granite's ESG+R program.

Successfully executing on these priorities will support Granite's position as a sector leader and continue to build long-term value for our unitholders.

Thank you for your continued trust and support.

Sincerely,



Kevan Gorrie,
President and Chief Executive Officer

⁽¹⁾ FFO, AFFO and related per unit amounts, available liquidity, SPNOI – cash basis (same property net operating income – cash basis), constant currency SPNOI – cash basis (constant currency same property net operating income – cash basis), net debt (each of which are non-GAAP performance measures); and AFFO payout ratio and net leverage ratio (each of which are non-GAAP ratios) are not defined by IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP") and do not have standard meanings. Please refer to the "Basis of Presentation", "Non-GAAP Performance Measures" and "Non-GAAP Ratios" sections in the attached MD&A for definitions and reconciliations to GAAP measures.

TABLE OF CONTENTS

Basis of Presentation	6	Related Party Transactions	68
Financial and Operating Highlights	8	Non-GAAP Performance Measures	68
Significant Matters	10	Non-GAAP Ratios	71
Business Overview and Strategic Outlook ..	14	Significant Accounting Estimates	72
Outlook	15	New Accounting Pronouncements and Developments	75
Environmental, Social, Governance, and Resilience (ESG+R)	16	Internal Controls over Financial Reporting ..	76
Results of Operations	23	Risks and Uncertainties	77
Investment Properties	43	Quarterly Financial Data	78
Liquidity and Capital Resources	55	Forward-Looking Information	81
Commitments, Contractual Obligations, Contingencies and Off-Balance Sheet Arrangements	67		

BASIS OF PRESENTATION

Management's Discussion and Analysis of Results of Operations and Financial Position ("MD&A") of Granite Real Estate Investment Trust ("Granite REIT") summarizes the significant factors affecting the consolidated combined operating results, financial condition, liquidity and cash flows of Granite REIT and its subsidiaries (collectively "Granite" or the "Trust") for the year ended December 31, 2025. Unless otherwise noted, all amounts are in millions of Canadian dollars. This MD&A should be read in conjunction with the accompanying audited consolidated combined financial statements for the years ended December 31, 2025 and 2024 prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards" or "GAAP"). The MD&A was prepared as at February 25, 2026 and its contents were approved by the Board of Trustees of Granite REIT on this date. Additional information relating to Granite, including the Annual Report and Annual Information Form ("AIF") for fiscal 2025 and dated February 25, 2026, can be obtained from the Trust's website at www.granitereit.com and on SEDAR+ at www.sedarplus.ca.

On October 1, 2024, Granite replaced its stapled unit structure (comprising of one unit of Granite REIT and one share of Granite REIT Inc. ("Granite GP")) with a conventional REIT trust unit structure pursuant to a court approved plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement"). As a result of and immediately following the Arrangement, each unitholder of Granite REIT ("unitholder") held a number Granite REIT units ("units") equal to the number of stapled units held prior to the completion of the Arrangement, and Granite GP became a wholly-owned subsidiary of Granite REIT. The stapled units were delisted from the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE"), and the units traded on the TSX and the NYSE under the same ticker symbols "GRT.UN" and "GRP.U", respectively. For the periods prior to October 1, 2024, references to "units" should be read as "stapled units" and "unitholders" should be read as "stapled unitholders".

On December 10, 2025, Granite REIT delivered notice to the NYSE to voluntarily delist its units from the NYSE and to thereafter voluntarily deregister from its reporting obligations under the United States Securities Exchange Act of 1934. The last day of trading for units on the NYSE was December 31, 2025. On January 5, 2026, Granite REIT filed Form 15F with the SEC to terminate the registration of its units and its corresponding reporting obligations under the United States Securities Exchange Act of 1934.

In addition to using financial measures determined in accordance with IFRS Accounting Standards, Granite also uses certain non-GAAP performance measures and non-GAAP ratios in managing its business to measure financial and operating performance as well as for capital allocation decisions and valuation purposes. Granite believes that providing these measures on a supplemental basis to the GAAP amounts is helpful to investors in assessing the overall performance of Granite's business.

The non-GAAP performance measures include net operating income before lease termination and close-out fees, straight-line rent and tenant incentive amortization ("NOI - cash basis"), same property NOI - cash basis, constant currency same property NOI - cash basis, funds from operations ("FFO"), adjusted funds from operations ("AFFO"), adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA"), available liquidity, total debt and net debt. Refer to "*NON-GAAP PERFORMANCE MEASURES*" for definitions and reconciliations of non-GAAP performance measures to GAAP financial measures.

The non-GAAP ratios include FFO payout ratio, AFFO payout ratio, leverage ratio, interest coverage ratio, net leverage ratio, indebtedness ratio, unencumbered asset coverage ratio and any related per unit amounts. Refer to "*NON-GAAP RATIOS*" for definitions and reconciliations of non-GAAP ratios to GAAP financial measures.

Readers are cautioned that these measures do not have standardized meanings prescribed under IFRS Accounting Standards and, therefore, should not be construed as alternatives to net income, cash provided by operating activities or any other measure calculated in accordance with IFRS Accounting Standards. Additionally, because these terms do not have standardized meanings prescribed by IFRS Accounting Standards, they may not be comparable to similarly titled measures presented by other reporting issuers.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three Months Ended December 31,		Years Ended December 31,		Year Ended December 31,
	2025	2024	2025	2024	2023
<i>(in millions, except as noted)</i>					
Operating highlights					
Revenue	\$161.8	\$148.0	\$618.7	\$569.1	\$521.2
Net operating income ("NOI")	133.3	121.2	509.5	472.0	435.2
NOI - cash basis ⁽¹⁾	130.9	118.6	499.6	459.8	422.9
Constant currency same property NOI - cash basis ⁽¹⁰⁾	7.9 %	6.3 %	5.6 %	4.2 %	5.1 %
Net income attributable to unitholders	135.4	83.7	342.3	360.6	136.7
FFO ⁽¹⁾	96.6	92.7	363.0	343.9	317.6
AFFO ⁽¹⁾	79.3	78.8	319.8	307.1	287.4
Cash provided by operating activities	84.4	71.2	388.1	338.6	313.1
Monthly distributions paid	51.5	51.8	208.1	207.9	203.9
FFO payout ratio ⁽¹⁾⁽²⁾	54 %	56 %	57 %	61 %	64 %
AFFO payout ratio ⁽¹⁾⁽²⁾	66 %	66 %	65 %	68 %	71 %
Per unit amounts					
Diluted FFO ⁽¹⁾	\$1.59	\$1.47	\$5.91	\$5.44	\$4.97
Diluted AFFO ⁽¹⁾	\$1.30	\$1.25	\$5.21	\$4.86	\$4.50
Monthly distributions paid	\$0.86	\$0.83	\$3.41	\$3.30	\$3.20
Diluted weighted average number of units	60.9	63.0	61.4	63.2	63.9

As at December 31,	2025	2024	2023
Financial highlights			
Investment properties - fair value	\$9,478.4	\$9,397.3	\$8,808.1
Assets held for sale ⁽⁹⁾	81.0	-	-
Cash and cash equivalents	139.6	126.2	116.1
Total debt ⁽³⁾	3,422.1	3,087.8	2,998.4
Trading price per unit (TSX: GRT.UN)	\$81.71	\$69.76	\$76.28
Debt metrics, ratings and outlook			
Net leverage ratio ⁽¹⁾	35 %	32 %	33 %
Interest coverage ratio ⁽¹⁾	5.0x	5.3x	5.5x
Indebtedness ratio (total debt to adjusted EBITDA) ⁽¹⁾	7.3x	7.1x	7.6x
Weighted average cost of debt ⁽⁴⁾	2.72 %	2.74 %	2.59 %
Weighted average debt term-to-maturity, in years ⁽⁴⁾	3.4	4.3	3.9
Morningstar DBRS rating and outlook	BBB (high) stable	BBB (high) stable	BBB (high) stable
Property metrics			
Number of investment properties	147	143	143
Income-producing properties	141	138	137
Development properties ⁽⁷⁾	6	5	6
Gross leasable area ("GLA"), square feet	62.6	63.3	62.9
Occupancy, by GLA	98.0 %	94.9 %	95.0 %
Committed occupancy, by GLA ⁽⁸⁾	98.6 %	95.0 %	NA
Magna as a percentage of annualized revenue ⁽⁵⁾	26 %	26 %	26 %
Magna as a percentage of GLA	19 %	19 %	19 %
Weighted average lease term in years, by GLA	5.5	5.7	6.2
Overall capitalization rate ⁽⁶⁾	5.6 %	5.3 %	5.2 %

(1) For definitions of Granite's non-GAAP performance measures and ratios, refer to the sections "NON-GAAP PERFORMANCE MEASURES" and "NON-GAAP RATIOS".

(2) The FFO and AFFO payout ratios are calculated as monthly distributions declared to unitholders, divided by FFO and AFFO, respectively, in a period.

(3) Total debt includes lease obligations recognized under IFRS 16, *Leases*.

(4) Excludes lease obligations recognized under IFRS 16, *Leases*.

(5) Annualized revenue presented is calculated as the contractual base rent for the month subsequent to the quarterly reporting period multiplied by 12 months. Annualized revenue excludes revenue from properties classified as assets held for sale.

(6) Refer to "Valuation Metrics by Asset Category" in the "INVESTMENT PROPERTIES" section.

(7) Development properties include properties under development and land held for development.

(8) Committed occupancy as at February 25, 2026.

(9) Assets held for sale are excluded from investment properties and related property metrics. Accordingly, two such assets that were held for sale as at December 31, 2025 were excluded from investment properties and related metrics as at December 31, 2025 throughout this MD&A. There were no assets classified as held for sale as at December 31, 2024.

(10) Constant currency same property NOI - cash basis is calculated by converting the comparative same property NOI - cash basis at current period average foreign exchange rates. Constant currency 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. The amount shown is the percentage increase of the current year period over the prior year period.

SIGNIFICANT MATTERS

Property Acquisitions

During the year ended December 31, 2025, Granite acquired eight income-producing properties in the United States and the United Kingdom.

Property acquisitions consisted of the following:

Acquisitions (in millions, except as noted)						
Property Address	Location	Sq ft ⁽¹⁾	WALT ⁽¹⁾⁽³⁾	Date Acquired	Property Purchase Price ⁽²⁾	In-going Yield
Income-producing properties:						
3850 NW 126th Ave.	Coral Springs, FL	–	6.3	June 30, 2025	\$19.6	5.1 %
3872 NW 126th Ave.	Coral Springs, FL	0.1	6.8	June 30, 2025	29.9	4.8 %
Brackmills Industrial Estate, Salthouse Rd.	Northampton, United Kingdom	0.2	2.0	December 1, 2025	36.2	8.4 %
201 NW 22nd Ave.	Fort Lauderdale, FL	0.2	1.0	December 17, 2025	88.5	3.4 %
Houston portfolio (four income-producing properties):						
7865 Northcourt Rd. 7875 Northcourt Rd. 7885 Northcourt Rd. 7909 Northcourt Rd.	Houston, TX	1.0	3.3	December 17, 2025	167.6	5.4 %
					\$ 341.8	5.1 %

(1) As at the date of acquisition.

(2) Purchase price does not include transaction costs associated with property acquisitions.

(3) Weighted average lease term, in years by square feet, applicable to the occupied space.

Fourth Quarter 2025 Acquisitions

On December 1, 2025, Granite acquired a distribution facility, comprising 0.2 million square feet in Northampton, United Kingdom for \$36.2 million (£19.6 million). The property is fully leased to a global logistics company with a remaining term of 2.0 years and was acquired at an in-going yield of 8.4%. Upon expiry, the 15-acre site is planned to be redeveloped into a 0.3 million square foot modern distribution facility and is expected to achieve a yield on cost in excess of 7.0%. The property is located in close proximity to the M1 motorway and is within one of the United Kingdom's premier regional distribution areas, known as the Golden Triangle.

On December 17, 2025, Granite acquired a modern distribution facility, comprising 0.2 million square feet in Fort Lauderdale, Florida for \$88.5 million (US\$64.1 million). The property was constructed in 2018 and is fully leased to an e-commerce 3PL with 1.0 year of term remaining. Acquired at an in-going yield of 3.4%, the property offers a significant mark-to-market opportunity which is expected to stabilize at approximately 6.0%. This last mile facility is strategically located with immediate access to the I-95 and is only 1.5 miles from downtown Fort Lauderdale and Fort Lauderdale International Airport.

On December 17, 2025, Granite acquired four distribution facilities, comprising 1.0 million square feet in Houston, Texas for \$167.6 million (US\$121.5 million). The properties are 98% leased to a diverse tenant mix with a weighted average lease term of 3.3 years and were acquired at an in-going yield of 5.4%. Located just north of Highway 290 and inside Beltway 8, the properties benefit from the Northwest submarket's historically strong demand, low vacancy and near-term mark-to-market income growth potential.

Property Dispositions

During the year ended December 31, 2025, Granite disposed of three income-producing properties in the United States, for gross proceeds of \$189.5 million. Subsequent to the fourth quarter of 2025, on January 30, 2026, Granite disposed of one property located in Utrecht, Netherlands, for gross proceeds of \$37.6 million (see "Subsequent Events").

Dispositions (in millions, except as noted)						
Property Address	Location	Sq ft	Date Disposed	Sale Price ⁽¹⁾	Annualized Revenue ⁽²⁾	
Disposed during the year ended December 31, 2025:						
Midwest portfolio (three income-producing properties) . .						
1451 Allpoints Ct.	Plainfield, IN					
1901 Beggrow St.	Columbus, OH					
8779 LeSaint Dr.	Hamilton, OH	1.7	December 19, 2025	\$ 189.5	\$	11.6
Disposed between January 1 and February 25, 2026:						
Sophialaan 5	Utrecht, NL	0.2	January 30, 2026	37.6		–
		1.9		\$227.1		\$11.6

⁽¹⁾ Sale price does not include transaction costs associated with disposition.

⁽²⁾ As at the date of disposition.

Assets Held for Sale

As at December 31, 2025, two income-producing properties located in the United States and Netherlands are classified as assets held for sale, and are expected to be disposed within 12 months. The properties, having a fair value of \$81.0 million, are classified as assets held for sale on the audited consolidated combined balance sheet as at December 31, 2025 and are excluded from the value of investment properties. The properties are also excluded from references to investment properties and related property metrics as at December 31, 2025 throughout this MD&A, unless otherwise noted. The financial results of these properties continue to be included in net income, FFO and AFFO and related per unit measurements presented in this MD&A.

Construction and Development Commitments

Granite had the following construction and development commitments as at December 31, 2025:

Commitments (in millions, except as noted)	Additional sq ft	Accruals/ Payments/ Deposits Made	Future Commitments ⁽¹⁾	Total Cost	Year-One Stabilized Yield ⁽²⁾
Property Location					
As at December 31, 2025:					
Development and construction:					
Site plan approval for a development in Brantford, ON ⁽³⁾	0.7	4.9	1.0	5.9	N/A
Site plan approval and site infrastructure for developments in Houston, TX ⁽³⁾	0.7	1.3	3.0	4.3	N/A
Property under development in Houston, TX	0.4	18.3	43.2	61.5	7.5 %
Other construction commitments	–	2.4	4.2	6.6	N/A
	1.8 \$	26.9 \$	51.4 \$	78.3	N/A

⁽¹⁾ Includes signed contracts and future budgeted expenditures not yet contracted.

⁽²⁾ Yield based on total cost including land (see "Development and Expansion Projects").

⁽³⁾ Total cost includes only development costs associated with the committed work at the property and does not include the cost of future building(s).

During the fourth quarter of 2025:

- Granite continued the site plan approval process for a second phase of its site in Brantford, Ontario for up to 0.7 million square feet;
- Granite continued the site plan approval process and site infrastructure work for the future phases of its site in Houston, Texas for up to 0.7 million square feet; and
- Granite commenced vertical construction at its 0.4 million square foot, 36' clear height, state-of-the-art modern distribution facility in Houston, Texas. The build-to-suit facility being constructed for a global consumer food product company is expected to be completed in the fourth quarter of 2026.

Increase in Distributions

On November 5, 2025, Granite increased its targeted annualized distribution by 4.41% to \$3.55 (\$0.2958 per month) per unit from \$3.40 (\$0.2833 per month) per unit effective upon the declaration of the distribution in respect of the month of December 2025 and was paid on January 15, 2026.

NYSE Voluntary Delisting

On December 10, 2025, Granite REIT delivered notice to the NYSE to voluntarily delist its units from the NYSE and to thereafter voluntarily deregister from its reporting obligations under the United States Securities Exchange Act of 1934. The last day of trading for units on the NYSE was December 31, 2025. On January 5, 2026, Granite REIT filed a Form 15F with the United States Securities and Exchange Commission ("SEC") to terminate the registration of its units and its corresponding reporting obligations under the United States Securities Exchange Act of 1934.

Subsequent Events

Credit Facility Extension

On January 22, 2026, the Trust amended its \$1.0 billion unsecured revolving credit facility (the "Credit Facility") to extend the maturity date from March 31, 2030 to January 22, 2031.

Property Disposition

On January 30, 2026, Granite completed the disposition of a 0.2 million square foot income-producing property located in the Netherlands that was classified as held for sale as at December 31, 2025, for gross proceeds of \$37.6 million (€23.4 million).

September 2026 Term Loan Repayment

On February 13, 2026, Granite LP prepaid the remaining €50.0 million aggregate principal amount of the September 2026 Term Loan with no prepayment penalty. In conjunction with the prepayment, the remaining €50.0 million portion of the September 2026 Interest Rate Swap was also terminated and the related mark to market liability was settled.

Trustee Appointments

On February 25, 2026, the trustees of Granite appointed Ms. Amber Choudhry and Mr. Jonathan Kelly to Granite's Board of Trustees.

Mr. Peter Aghar, a trustee since June 2017, and Ms. Sheila A. Murray, a trustee since June 2019, will not be standing for re-election at Granite's next Annual General Meeting expected to be held in June 2026.

ATM Prospectus

On or about February 25, 2026, Granite intends to file a prospectus supplement (the "Prospectus Supplement") to its base shelf prospectus for equity securities dated November 27, 2024 to re-establish an at-the-market equity distribution program (the "ATM Program") pursuant to which Granite may issue and sell up to \$250 million of units from treasury to the public from time to time, at Granite's discretion, at the prevailing market price, when issued on the TSX or any other existing trading market for the units in Canada.

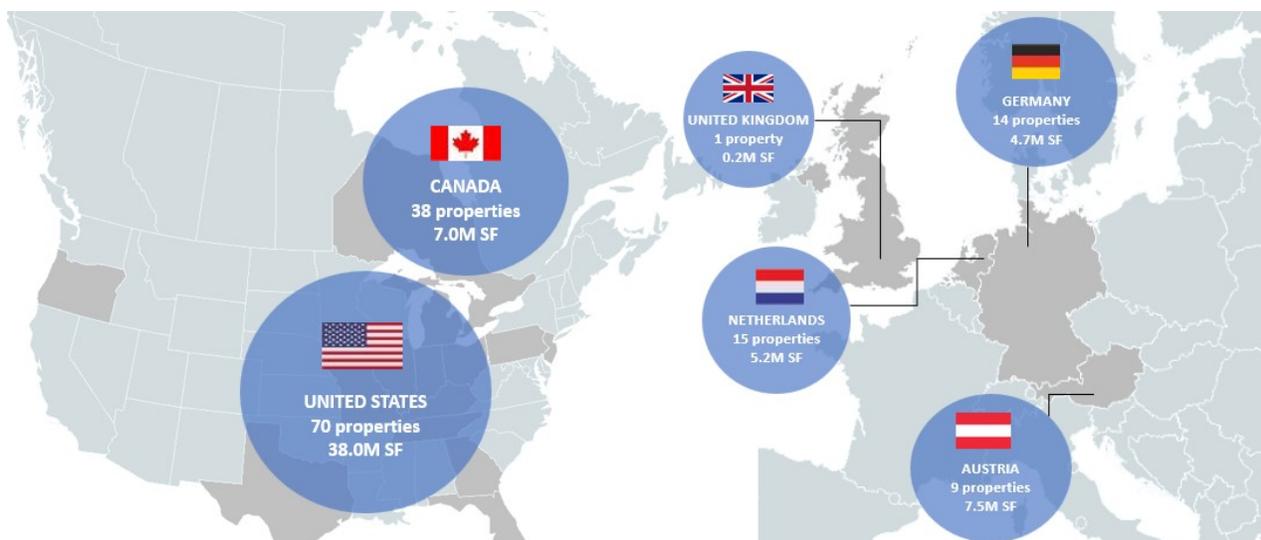
BUSINESS OVERVIEW AND STRATEGIC OUTLOOK

Business Overview

Granite is a Canadian-based real estate investment trust ("REIT") engaged in the acquisition, development, ownership and management of logistics, warehouse and industrial properties in North America and Europe. As at February 25, 2026, Granite owns 147 investment properties in six countries having approximately 62.6 million square feet of gross leasable area. Granite has a highly-integrated team of real estate professionals with extensive experience in operations, leasing, development, investment and asset management located at its head office in Toronto, Canada and regional offices in Dallas, United States; Vienna, Austria; and Amsterdam, Netherlands.

Granite's investment properties consist of income-producing properties and development properties (see "INVESTMENT PROPERTIES"). The income-producing properties consist primarily of logistics, e-commerce and distribution warehouses, and light industrial and heavy industrial manufacturing properties. Lease payments are primarily denominated in three currencies: the Canadian dollar ("\$"), the Euro ("€") and the US dollar ("US\$"). Granite's investment properties by geographic location, property count and square footage as at February 25, 2026 are summarized below:

Investment Properties Summary Six countries/147 properties/62.6 million square feet



Strategic Outlook

Management continues to identify and pursue value creation and investment opportunities that it believes will generate superior long-term total returns for unitholders.

Granite's long-term strategy is to continue to build upon its institutional and globally diversified industrial real estate business; to grow and diversify its asset base through acquisitions, development, re-development, expansions and dispositions; to maintain a conservative balance sheet; and to reduce its exposure to its largest tenant, Magna International Inc. and its operating subsidiaries (collectively, "Magna") and the special purpose properties (see "INVESTMENT PROPERTIES").

Granite is financially well-positioned to execute on its strategic plan, including to capitalize on any strategic opportunities as they arise and existing and future development activity within its targeted geographic footprint.

As Granite looks to 2026, its priorities are set out below:

- Driving growth in FFO and net asset value (“NAV”) per unit while maintaining conservative capital ratios;
- Advancing leasing across the income-producing portfolio to maintain strong occupancy levels and rental-rate growth;
- Executing on capital redeployment including strategic acquisitions of development and income-producing properties in target markets and the disposition of select non-strategic assets;
- Progressing development, redevelopment, and expansion initiatives across the U.S., Europe, and the GTA; and
- Continuing to advance Granite’s Environmental, Social, Governance and Resilience (ESG+R) program.

2026 OUTLOOK

For 2026, Granite forecasts FFO per unit within a range of \$6.25 to \$6.40, representing an approximate 6% to 8% increase over 2025, and Granite forecasts AFFO per unit to be within a range of \$5.40 to \$5.55, representing an increase of approximately 4% to 7% over 2025. The FFO per unit forecast assumes that the disposition of assets held for sale of approximately \$81 million will be completed by early Q4 2026. No unidentified acquisitions are assumed in the forecast. In terms of AFFO-related capital expenditures, Granite is assuming expenditures of approximately \$40 million which is higher than actual AFFO-related capital expenditures of \$34 million realized in 2025. The high and low ranges are driven by foreign currency exchange rate assumptions outlined in the table below.

For 2026, Granite forecasts constant currency same property NOI - cash basis to be within a range of 5.5% to 6.5%, based on a four quarter average over 2026.

The table below outlines Granite’s forecast for the year ending December 31, 2026:

Measure	2026 Forecast
EUR:CAD exchange rate	1.58 to 1.62
USD:CAD exchange rate	1.34 to 1.40
GBP:CAD exchange rate	1.80 to 1.86
FFO per unit	\$6.25 to \$6.40
AFFO per unit	\$5.40 to \$5.55
Maintenance capital expenditures, tenant allowances and leasing commissions impacting AFFO	\$40.0 million
Constant currency same property NOI - cash basis, four quarter average	5.5% to 6.5%

Granite’s 2026 forecast assumes no favourable reversals of tax provisions relating to prior years which cannot be determined at this time. Non-GAAP performance measures are included in

Granite’s 2026 forecast above (see “NON-GAAP PERFORMANCE MEASURES”). See also “FORWARD-LOOKING INFORMATION”.

ENVIRONMENTAL, SOCIAL, GOVERNANCE, AND RESILIENCE (ESG+R)

Granite recognizes the important role building owners can play in fostering the efficient use of resources and respecting our environment. As a good steward for investors, Granite seeks to practically incorporate sustainability in its actions and decision-making process, while generating returns for unitholders.

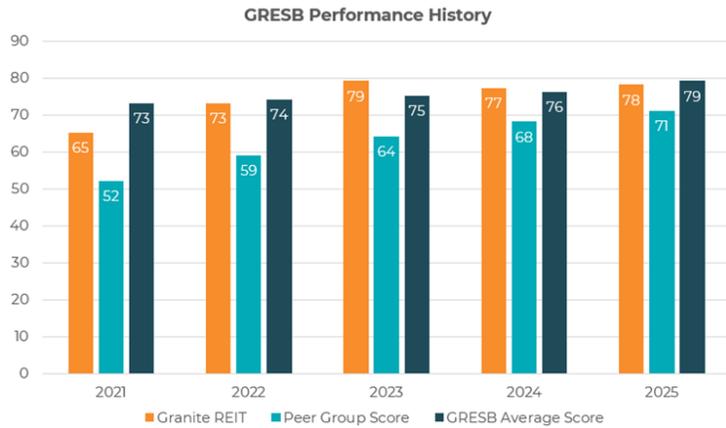
Consistent with this principle, Granite applies the following long-term ESG+R objectives in its business:

Environmental	Social	Governance	Resilience
Promote efficiency and sustainable practices at both Granite’s properties and corporate offices	Engage with investors, employees, tenants, property managers, and community	Disclose ESG+R performance as a commitment to transparency and accountability	Identify and mitigate potential climate-related risks within our portfolio

Granite’s ESG+R program is aligned with SASB¹, GRESB², GRI³ and is actively transitioning a multi-year alignment with TCFD⁴ to its successor framework, ISSB⁵. Data provided herein has been reviewed by a third-party ESG+R consultant and represents a snapshot of current performance.

¹ Sustainability Accounting Standards Board
² Global Real Estate Sustainability Benchmarking
³ Global Reporting Initiative
⁴ Task Force on Climate-related Financial Disclosures
⁵ International Sustainability Standards Board

2025 GRESB



Participation & Score



Predefined Peer Group Ranking



GRESB assesses and scores the Environmental, Social, and Governance (“ESG”) performance of real estate portfolios around the world and in 2025, increased to over 2,300 participants. In 2025, Granite’s overall score increased by 1 point compared to the prior year and maintained a 1st place ranking in its peer group. Despite achieving a higher absolute score, Granite’s star rating decreased to a 2-star rating due to global participation and progressively more high-performing participating companies.

2025 GRESB Public Disclosure Report

Participation & Score



GRESB Public Disclosure Level



Comparison Group



In GRESB’s 2025 Public Disclosure Report, which evaluates the level of ESG disclosure by listed property companies and REITs, Granite was ranked 1st in the United States of America Industrial sector comprised of 10 reporting entities.

Below is a selection of key actions and performance items of Granite’s ESG+R program:

Environmental – *Actions & Performance*

- Granite’s target is to reduce landlord-controlled energy, operational emissions (scope 1 and 2), and water by 25% on an intensity basis, per square foot, by the beginning of 2030 (or 2.5% annual reduction) at its properties⁶;

⁶ Granite’s emissions reduction targets are aligned with the Paris Climate Accords’ goal of limiting global warming to two degrees Celsius above pre-industrial levels.

- Granite’s target is to increase the energy, emissions, water and waste data coverage across its portfolio to 50% of its income-producing portfolio by 2030 by collaborating with tenants, implementing green lease language, and obtaining data directly from the utility companies whenever available;
- Granite has exceeded its previously updated target to support the production of new renewable energy through the installation of on-site solar PV systems with the capacity to generate 50 MW of electricity by 2025⁷. Solar PV systems with peak generation capacity of 49.82 MW are currently operational on Granite properties, resulting in Granite achieving 99.6% of its target for 2025;
- Beehives are installed on Granite’s behalf at three properties to promote local biodiversity and engagement with tenants;
- Granite commits that all development projects controlled by Granite will be built to standards consistent with the scope of its Green Bond Framework and aims to certify 100% of new developments to a third-party green building certification standard (such as LEED, BREEAM, Green Globes, DGNB). To date, Granite has issued three green bonds totaling \$1.4 billion in net proceeds. As at December 31, 2025, Granite has fully allocated net proceeds of \$1 billion issued under the first two green bonds and has allocated \$222 million (55.9%) of net proceeds on the third bond to Eligible Green Projects under its Green Bond Framework;
- In the first quarter of 2025, Granite sent tenants an annual Sustainability Metrics Survey for the fiscal year 2024. The survey is used to identify what sustainability initiatives have been implemented at each property over the past year, including those initiated by tenants. A few highlights from fiscal year 2024 include LED lighting installed at 10 properties, building automation system upgrades made at 2 properties, and efficient HVAC systems installed at 2 properties; and
- Granite has exceeded the target to strategically evaluate and pursue applicable green building certifications at Granite’s properties and achieve 30% third-party green building certifications by floor area by 2030. Currently, 55.2% by floor area, or 42.7% by income-producing property count has been certified. Below is a list of Granite’s properties that have achieved a green certification.

Property	Size (Sq ft) in millions	Location	Certification Type	Level
Canada				
Expansion to 555 Beck Crescent	0.1	Ajax, ON	Green Globes New Construction	2 Green Globes
2020 Logistics Dr.	0.8	Mississauga, ON	IREM Certified Sustainable Property	Certified
Expansion to 2095 Logistics Dr.	0.1	Mississauga, ON	Green Globes New Construction	2 Green Globes
600 Tesma Way	0.1	Concord, ON	IREM Certified Sustainable Property	Certified
8995 Airport Rd.	0.1	Brampton, ON	IREM Certified Sustainable Property	Certified
4 Bowery Rd.	0.4	Brantford, ON	Green Globes New Construction	2 Green Globes
Europe				
Im Ghai 36	0.3	Altbach, Germany	DGNB New Construction Logistics Buildings	Gold

⁷ Onsite solar projects were installed at a total of 17 Granite assets as at December 31, 2025.

Property	Size (Sq ft) in millions	Location	Certification Type	Level
Aquamarijnweg 2 & 4	0.2	Bleiswijk, Netherlands	BREEAM New Construction	Very Good
De Kroonstrat 1 (Phase 1), De Pooshoornstraat 2 (Phase 2)	0.5	Tilburg, Netherlands	BREEAM New Construction	Excellent
Francis Baconstraat 4	0.1	Ede, Netherlands	BREEAM New Construction	Very Good
Oude Graaf 15	0.2	Weert, Netherlands	BREEAM New Construction	Excellent
Swaardvenstraat 75	0.5	Tilburg, Netherlands	BREEAM New Construction	Excellent
United States				
8500 Tatum Rd.	1.0	Palmetto, GA	IREM Certified Sustainable Property	Certified
100 Clyde Alexander Lane	0.7	Pooler, GA	LEED Core and Shell Development	Certified
101 Clyde Alexander Lane	0.3	Pooler, GA	LEED Core and Shell Development	Certified
3090 State Highway 42	1.0	Locust Grove, GA	IREM Certified Sustainable Property	Certified
1243 Gregory Dr.	0.5	Antioch, IL	LEED Core and Shell Development	Silver
1600 Rock Creek Blvd	0.1	Joliet, IL	IREM Certified Sustainable Property	Certified
3801 Rock Creek Blvd	0.3	Joliet, IL	IREM Certified Sustainable Property	Certified
3900 Rock Creek Blvd.	0.3	Joliet, IL	IREM Certified Sustainable Property	Certified
905 Belle Lane	0.2	Bolingbrook, IL	Green Globes New Construction	2 Green Globes
1201 Allpoints Court	0.5	Plainfield, IN	Green Globes New Construction	2 Green Globes
445 Airtech Pkwy.	0.6	Plainfield, IN	IREM Certified Sustainable Property	Certified
10566 Gateway Point	0.9	Clayton, IN	IREM Certified Sustainable Property	Certified
831 North Graham Rd.	0.5	Greenwood, IN	IREM Certified Sustainable Property	Certified
3870 Ronald Reagan Pkwy.	0.6	Plainfield, IN	IREM Certified Sustainable Property	Certified
10144 Veterans Dr.	0.7	Avon, IN	Green Globes New Construction	2 Green Globes
10207 Veterans Dr.	0.3	Avon, IN	Green Globes New Construction	2 Green Globes
5400 E. 500 S.	1.0	Whitestown, IN	IREM Certified Sustainable Property	Certified
60 Logistics Blvd.	0.7	Walton, KY	IREM Certified Sustainable Property	Certified
8735 South Crossroads Dr.	0.9	Olive Branch, MS	LEED Core and Shell Development	Certified
8740 South Crossroads Dr.	0.9	Olive Branch, MS	LEED Core and Shell Development; IREM Certified Sustainable Property	Certified; Certified
330 East Stateline Rd.	0.9	Southaven, MS	IREM Certified Sustainable Property	Certified
8650 Commerce Dr.	0.7	Southaven, MS	IREM Certified Sustainable Property	Certified

Property	Size (Sq ft) in millions	Location	Certification Type	Level
2100 Center Square Rd.	0.4	Logan Township, NJ	LEED Core and Shell Development; IREM Certified Sustainable Property	Silver; Certified
15 Commerce Pkwy.	1.3	West Jefferson, OH	LEED New Construction and Major Renovation; IREM Certified Sustainable Property	Certified; Certified
100 Enterprise Pkwy.	1.2	West Jefferson, OH	IREM Certified Sustainable Property	Certified
10 Enterprise Pkwy.	0.8	West Jefferson, OH	IREM Certified Sustainable Property	Certified
115 Enterprise Pkwy.	0.7	West Jefferson, OH	IREM Certified Sustainable Property	Certified
535 Gateway Blvd.	0.7	Monroe, OH	IREM Certified Sustainable Property	Certified
601 & 673 Gateway Blvd	0.6	Groveport, OH	IREM Certified Sustainable Property	Certified
5415 Centerpoint Pkwy.	0.5	Columbus, OH	IREM Certified Sustainable Property	Certified
6201 Green Pointe Dr South	0.5	Monroe, OH	IREM Certified Sustainable Property	Certified
8741 Jacquemin Dr.	0.6	West Chester, OH	IREM Certified Sustainable Property	Certified
18201 NE Portal Way	0.3	Portland, OR	IREM Certified Sustainable Property	Certified
12 Tradeport Rd.	1.4	Hanover Township, PA	IREM Certified Sustainable Property	Certified
41 Martha Dr.	0.8	Bethel, PA	IREM Certified Sustainable Property	Certified
250 Tradeport Rd.	0.6	Nanticoke, PA	IREM Certified Sustainable Property	Certified
4460 East Holmes Rd.	0.4	Memphis, TN	IREM Certified Sustainable Property	Certified
4995 Citation Dr.	0.4	Memphis, TN	IREM Certified Sustainable Property	Certified
100 Business Park Dr.	0.2	Lebanon, TN	Green Globes New Construction	2 Green Globes
120 Business Park Dr.	0.2	Lebanon, TN	Green Globes New Construction	2 Green Globes
150 Business Park Dr.	0.2	Lebanon, TN	Green Globes New Construction	2 Green Globes
2120 Logistics Way	0.8	Murfreesboro, TN	Green Globes New Construction	2 Green Globes
201 Sunridge Blvd.	0.8	Wilmer, TX	IREM Certified Sustainable Property	Certified
1301 Chalk Hill Rd.	2.3	Dallas, TX	IREM Certified Sustainable Property	Certified
3501 North Lancaster Hutchins Rd.	0.2	Lancaster, TX	LEED New Construction and Major Renovation	Silver
5000 Village Creek Rd.	0.6	Fort Worth, TX	Green Globes New Construction	2 Green Globes
13220 Crosby Freeway	0.3	Houston, TX	Green Globes New Construction	2 Green Globes
13230 Crosby Freeway	0.4	Houston, TX	Green Globes New Construction	2 Green Globes
13250 Crosby Freeway	0.7	Houston, TX	Green Globes New Construction	2 Green Globes

Property	Size (Sq ft) in millions	Location	Certification Type	Level
Total	34.9			
% of GLA	55.2 %			

Social – *Actions & Performance*

- Granite administered its second employee engagement survey in May 2023 to gain an understanding of employee engagement and the effectiveness of its workplace practices. An employee engagement survey is scheduled to be completed in May 2026;
- Granite contributes at least 500 local currency (USD/CAD/EUR) per income-producing property in its portfolio toward charitable donations. In 2025, Granite contributed a total of approximately \$192,000 to charities, including approximately \$93,000 to local charities and organizations;
- Granite operates under a hybrid working model, providing enhanced work from home flexibility during the work week;
- In September 2025, Granite held a company-wide conference in Muskoka, Ontario where internal staff and third-party consultants presented updates on Granite’s ESG+R program, recent market trends, company performance, and current projects to all employees. In addition, staff volunteered through a local charitable organization and had the opportunity to participate in various team-bonding events;
- In 2025, Granite’s global staff logged 915 hours, and Granite invested an average of \$1,219, per employee, on training and education, supporting the personal and professional development of Granite’s employees; and
- In December 2025, Granite was recognized as one of Greater Toronto’s Top Employers 2026 by Mediacorp Canada. In addition, in 2024 and 2025, Granite was selected as one of Canada’s Top Small and Medium Employers by Mediacorp Canada. These recognitions are awarded to organizations that exhibit exceptional workplace practices and policies.

Governance – *Actions & Performance*

- On August 6, 2025, Granite issued its 2024 ESG+R report which follows the GRI framework with TCFD and SASB disclosures;
- Granite’s ESG+R Committee provides leadership over Granite’s ESG+R program;
- Granite provides transparency to investors by incorporating ESG+R into regular updates to unitholders and stakeholders and through formal reporting frameworks such as GRESB, SASB, and GRI;
- Granite monitors asset compliance with government benchmarking requirements and ESG+R related regulations;
- In June 2025, Granite submitted to GRESB and received a 1st place ranking in its peer group;
- In 2025, with a score of 94 out of 100, Granite ranked 15th and the third real estate entity in the Globe & Mail Board Games governance ranking, out of a total of 206 companies comprising the S&P/TSX Composite Index;
- In June 2022, the Declaration of Trust was amended and restated to, among other things, (i) further align the Declaration of Trust with evolving governance best practices which includes introducing rights and remedies in favour of unitholders consistent with those available to shareholders of a corporation pursuant to the *Business Corporations Act*

(British Columbia); and (ii) enhance unitholders' rights respecting the process for and procedures at unitholder meetings, including the submission of proposals by unitholders;

- Granite maintains robust policies governing the various aspects of its business activities, which are reviewed annually and updated from time to time in order to reflect regulatory compliance and industry best practices, as appropriate; and
- The Compensation, Governance and Nominating Committee provides oversight over Granite's ESG+R program. In addition, the Audit Committee is engaged in ESG+R matters as they pertain to overall risk management and oversight. Management provides regular updates on ESG+R matters and progress against objectives or targets to the wider Board of Trustees.

Resilience – *Actions & Performance*

- Granite's resilience program is aligned with the TCFD framework and is actively transitioning to alignment with its successor framework, the ISSB;
- Granite assesses physical and transition climate-change risks over the short, medium, and long term during the new acquisition due diligence process and evaluates measures to increase resiliency in Granite's underwriting process;
- As part of Granite's due diligence process, it assesses 100% of potential acquisitions for ESG+R and identifies areas for improvement;
- Granite regularly evaluates its properties for physical and transition climate-change risks based on thresholds for higher risk perils as a percentage of total portfolio value, and establishes strategies to mitigate risks; and
- Granite uses Moody's ESG Solutions Climate on Demand tool to manage climate-related analytics which generates 1-100 risk scores in six physical categories of climate-related risks: sea-level rise, floods, hurricanes, heat stress, water stress and wildfires.

RESULTS OF OPERATIONS

Net Income

The following is a summary of financial information from the audited consolidated combined statements of net income for the three months and years ended December 31, 2025 and 2024, respectively:

Net Income						
<i>(in millions, except as noted)</i>	Three Months Ended December 31,			Years Ended December 31,		
	2025	2024	\$ change	2025	2024	\$ change
Rental revenue	\$ 161.8	\$ 148.0	13.8	\$ 617.9	\$ 568.6	49.3
Lease termination and close-out fees ..	—	—	—	0.8	0.5	0.3
Revenue	161.8	148.0	13.8	618.7	569.1	49.6
Property operating costs	28.5	26.8	1.7	109.2	97.1	12.1
Net operating income	133.3	121.2	12.1	509.5	472.0	37.5
General and administrative expenses ..	13.3	8.3	5.0	45.9	38.9	7.0
Depreciation and amortization	0.3	0.3	—	1.2	1.3	(0.1)
Interest income	(0.7)	(3.4)	2.7	(3.1)	(7.1)	4.0
Interest expense and other financing costs	24.8	23.8	1.0	96.9	89.9	7.0
Foreign exchange (gains) losses, net ..	(0.2)	13.9	(14.1)	0.8	14.4	(13.6)
Fair value (gains) losses on investment properties, net	(60.5)	1.5	(62.0)	5.6	(53.0)	58.6
Fair value gains on financial instruments, net	(1.1)	(12.6)	11.5	(1.1)	(5.2)	4.1
Loss on sale of investment properties ..	2.0	—	2.0	2.0	—	2.0
Income before income taxes	155.4	89.4	66.0	361.3	392.8	(31.5)
Income tax expense	19.7	4.6	15.1	18.5	30.9	(12.4)
Net income	\$ 135.7	\$ 84.8	50.9	\$ 342.8	\$ 361.9	(19.1)
Net income attributable to:						
Unitholders	135.4	83.7	51.7	342.3	360.6	(18.3)
Non-controlling interests	0.3	1.1	(0.8)	0.5	1.3	(0.8)
	\$ 135.7	\$ 84.8	50.9	\$ 342.8	\$ 361.9	(19.1)

Foreign Currency Translation

The majority of Granite’s investment properties are located in Europe and the United States and the cash flows derived from such properties are primarily denominated in Euros and US dollars. Accordingly, fluctuations in the Canadian dollar, Granite’s reporting currency, relative to the Euro and US dollar will result in fluctuations in the reported values of revenues, expenses, cash flows, assets and liabilities. The most significant foreign currency exchange rates that impact Granite’s business are summarized in the following table:

	Average Exchange Rates						Period End Exchange Rates		
	Three Months Ended December 31,			Years Ended December 31,			December 31,	December 31,	
	2025	2024	Change	2025	2024	Change	2025	2024	Change
\$ per €1.00	1.623	1.492	9%	1.579	1.482	7%	1.609	1.491	8%
\$ per US\$1.00	1.395	1.399	–%	1.397	1.370	2%	1.372	1.440	(5)%

For the three months and year ended December 31, 2025 compared to the prior year periods, the average exchange rates of the Euro relative to the Canadian dollar were higher, which on a comparative basis, increased the Canadian dollar equivalent of revenue and expenses from Granite’s European operations.

For the three months ended December 31, 2025 compared to the prior year period, the average exchange rate of the US dollar relative to the Canadian dollar was slightly lower, which on a comparative basis, decreased the Canadian dollar equivalent of revenue and expenses from Granite’s U.S. operations.

For the year ended December 31, 2025 compared to the prior year period, the average exchange rate of the US dollar relative to the Canadian dollar was higher, which on a comparative basis, increased the Canadian dollar equivalent of revenue and expenses from Granite’s U.S. operations.

The period end exchange rate of the Euro relative to the Canadian dollar on December 31, 2025 was higher when compared to the December 31, 2024 exchange rate. As a result, the Canadian dollar equivalent of assets and liabilities from Granite’s European operations was higher, when compared to December 31, 2024.

The period end exchange rate of the US dollar relative to the Canadian dollar on December 31, 2025 was lower when compared to the December 31, 2024 exchange rate. As a result, the Canadian dollar equivalent of assets and liabilities from Granite’s U.S. operations was lower, when compared to December 31, 2024.

On a net basis, the effect of the changes in exchange rates on Granite's operating results for the three months and year ended December 31, 2025 was as follows:

Effects of Changes in Exchange Rates on Operating Results

<i>(in millions, except per unit information)</i>	Three Months Ended December 31,	Year Ended December 31,
	2025 vs 2024	2025 vs 2024
Increase in revenue	\$ 3.3	\$ 19.6
Increase in NOI - cash basis ⁽¹⁾	3.1	17.0
Increase in net income	2.5	9.5
Increase in FFO ⁽¹⁾	1.9	10.6
Increase in AFFO ⁽¹⁾	2.0	10.4
Increase in FFO ⁽¹⁾ per unit	\$0.03	\$0.17
Increase in AFFO ⁽¹⁾ per unit	\$0.03	\$0.17

⁽¹⁾ For definitions of Granite's non-GAAP performance measures and ratios, refer to the sections "NON-GAAP PERFORMANCE MEASURES" and "NON-GAAP RATIOS".

Operating Results

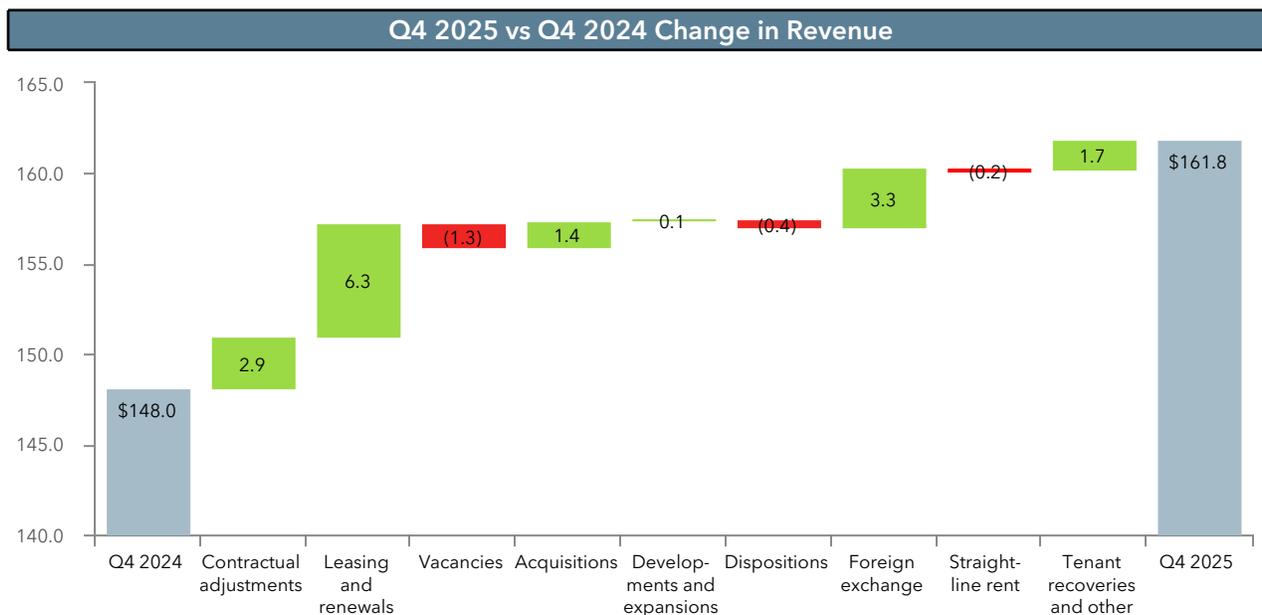
Revenue

Revenue

	Three Months Ended December 31,			Years Ended December 31,		
	2025	2024	\$ change	2025	2024	\$ change
Rental revenue and amortization ⁽¹⁾	\$ 134.9	\$ 122.9	12.0	\$ 515.0	\$ 478.1	36.9
Tenant recoveries	26.9	25.1	1.8	102.9	90.5	12.4
Lease termination and close-out fees	-	-	-	0.8	0.5	0.3
Revenue	\$ 161.8	\$ 148.0	13.8	\$ 618.7	\$ 569.1	49.6

⁽¹⁾ Rental revenue and amortization include base rent, straight-line rent amortization and tenant incentive amortization.

Revenue for the three month period ended December 31, 2025 increased by \$13.8 million to \$161.8 million from \$148.0 million in the prior year period. The components contributing to the change in revenue are detailed below:



Additional details pertaining to the components of the change in revenue are as follows:

- contractual rent adjustments included \$0.5 million from consumer price index based increases in Canada and Europe and \$2.4 million from fixed contractual adjustments primarily in the United States and Canada related to rent escalations;
- revenue increased by \$6.3 million due to renewal and re-leasing activities for properties primarily in Canada and the United States;
- vacancy at a property in the United States decreased revenue by \$1.3 million;
- the acquisitions of eight income-producing properties in the United States and the United Kingdom increased revenue by \$1.4 million (see "*SIGNIFICANT MATTERS - Property Acquisitions*");
- the lease commencement of an expansion project in Canada increased revenue by \$0.1 million;
- the dispositions of three income-producing properties in the United States decreased revenue by \$0.4 million (see "*SIGNIFICANT MATTERS - Property Dispositions*");
- foreign exchange had a net \$3.3 million positive impact to revenue primarily due to the relative weakening and strengthening of the Canadian dollar against the Euro and the US dollar, respectively, which increased revenue by \$3.6 million and decreased revenue by \$0.3 million, respectively; and
- straight-line rent, and tenant recoveries and other decreased revenue by \$0.2 million and increased revenue by \$1.7 million, respectively.

Revenue for the year ended December 31, 2025 increased by \$49.6 million to \$618.7 million from \$569.1 million in the prior year period. The components contributing to the change in revenue are detailed below:



Additional details pertaining to the components of the change in revenue are as follows:

- contractual rent adjustments included \$2.4 million from consumer price index based increases in Canada and Europe and \$9.2 million from fixed contractual adjustments primarily in the United States and Canada related to rent escalations;
- revenue increased by \$15.4 million due to renewal and re-leasing activities for properties primarily in Canada, the United States and Austria;
- vacancies at seven properties in the United States, Canada and Netherlands decreased revenue by \$6.4 million;
- the acquisitions of eight income-producing properties in the United States and the United Kingdom increased revenue by \$2.0 million;
- the lease commencement of two expansion projects in Canada and Netherlands, and two development projects in Canada and the United States increased revenue by \$2.6 million;
- the dispositions of three income-producing properties in the United States decreased revenue by \$0.4 million;
- foreign exchange had a net \$19.6 million positive impact to revenue primarily due to the relative weakening of the Canadian dollar against the Euro and the US dollar, which increased revenue by \$10.7 million and \$8.9 million, respectively; and
- straight-line rent, and tenant recoveries and other decreased revenue by \$2.9 million and increased revenue by \$8.1 million, respectively.

Net Operating Income

Net operating income (“NOI”) during the three months ended December 31, 2025 was \$133.3 million compared to \$121.2 million during the three months ended December 31, 2024. NOI for the year ended December 31, 2025 was \$509.5 million compared to \$472.0 million for the year ended December 31, 2024. NOI - cash basis excludes the impact of lease termination and close-out fees, and the non-cash impact from straight-line rent and tenant incentive amortization and reflects the cash generated by the income-producing properties on a period-over-period 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 the impact of properties that were acquired, disposed, classified as development properties or assets held for sale during the periods under comparison. The changes in NOI, NOI - cash basis and same property NOI - cash basis are detailed below:

Same Property NOI										
	Sq ft ⁽¹⁾ (in millions)	Three Months Ended December 31,				Sq ft ⁽¹⁾ (in millions)	Years Ended December 31,			
		2025	2024	\$ change	% change		2025	2024	\$ change	% change
Revenue		\$ 161.8	\$ 148.0	13.8			\$ 618.7	\$ 569.1	49.6	
Less: Property operating costs		28.5	26.8	1.7			109.2	97.1	12.1	
NOI		\$ 133.3	\$ 121.2	12.1	10.0%		\$ 509.5	\$ 472.0	37.5	7.9 %
Add (deduct):										
Lease termination and close-out fees		–	–	–			(0.8)	(0.5)	(0.3)	
Straight-line rent amortization		(2.4)	(2.6)	0.2			(9.1)	(11.8)	2.7	
Tenant incentive amortization		–	–	–			–	0.1	(0.1)	
NOI - cash basis	63.2	\$ 130.9	\$ 118.6	12.3	10.4%	63.2	\$ 499.6	\$ 459.8	39.8	8.7 %
Less NOI - cash basis for:										
Acquisitions	1.6	(1.5)	–	(1.5)		1.6	(2.2)	–	(2.2)	
Developments	–	–	–	–		0.4	(5.9)	(4.3)	(1.6)	
Dispositions and assets held for sale	2.3	(2.4)	(4.0)	1.6		2.3	(13.3)	(16.2)	2.9	
Same property NOI - cash basis	61.0	\$ 127.0	\$ 114.6	12.4	10.8%	60.6	\$ 478.2	\$ 439.3	38.9	8.9 %
Constant currency same property NOI - cash basis⁽²⁾	61.0	\$ 127.0	\$ 117.7	9.3	7.9%	60.6	\$ 478.2	\$ 453.0	25.2	5.6 %

⁽¹⁾ The square footage relating to the NOI – cash basis represents GLA of 63.2 million square feet as at December 31, 2025. The square footage relating to the same property NOI – cash basis represents the aforementioned GLA excluding the impact from the acquisitions, dispositions, assets held for sale and developments during the relevant period.

⁽²⁾ Constant currency same property NOI - cash basis is calculated by converting the comparative same property NOI - cash basis at current period average foreign exchange rates.

Property operating costs include recoverable and non-recoverable costs from tenants and consist of property taxes, utilities, insurance, repairs and maintenance, legal and other property-related expenses.

Straight-line rent amortization represents the scheduled fixed rent changes or rent-free periods in leases that are recognized in revenue evenly on a straight-line basis over the term of the lease. Tenant incentive amortization mainly represents cash allowance incentives provided to tenants that are recognized in revenue evenly on a straight-line basis over the term of the lease.

NOI - cash basis for the three months ended December 31, 2025 increased by \$12.3 million to \$130.9 million from \$118.6 million in the prior year period, representing an increase of 10.4%. NOI - cash basis for the year ended December 31, 2025 increased by \$39.8 million to \$499.6 million from \$459.8 million in the prior year period, representing an increase of 8.7%. The increase in NOI - cash basis was largely a result of the increase in rental revenue as noted previously, partially offset by an increase in property operating costs consistent with the increase in tenant recovery revenue.

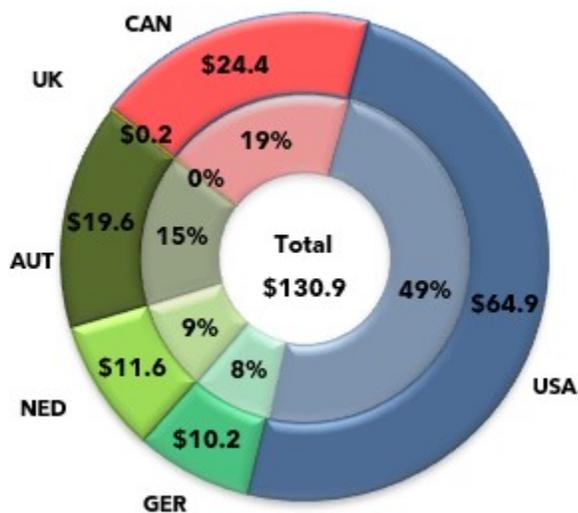
Same property NOI - cash basis for the three months ended December 31, 2025 increased by \$12.4 million (10.8%) to \$127.0 million from \$114.6 million in the prior year period, primarily due to the increase in contractual rents arising from both consumer price index and fixed rent increases, new and renewal leasing activity for properties primarily located in Canada and the United States, the lease up of a completed development property in the United States, the expiration of a rent-free period at a property in the United States, and the favourable foreign exchange impact from the weakening of the Canadian dollar against the Euro, partially offset by the slight strengthening of the Canadian dollar against the US dollar. Constant currency same property NOI - cash basis for the three month period ended December 31, 2025 increased by \$9.3 million (7.9%) from the prior year period.

Same property NOI - cash basis for the year ended December 31, 2025 increased by \$38.9 million (8.9%) to \$478.2 million from \$439.3 million primarily due to the increase in contractual rents arising from both consumer price index and fixed rent increases, new and renewal leasing activity for properties primarily located in Canada, the United States and Austria, the lease up of two completed development properties in the United States, the expiration of rent-free periods at properties in the United States, and the favourable foreign exchange impact from the weakening of the Canadian dollar against the Euro and the US dollar, partially offset by vacancies at properties in the United States and Canada. Constant currency same property NOI - cash basis for the year ended December 31, 2025 increased by \$25.2 million (5.6%) from the prior year period.

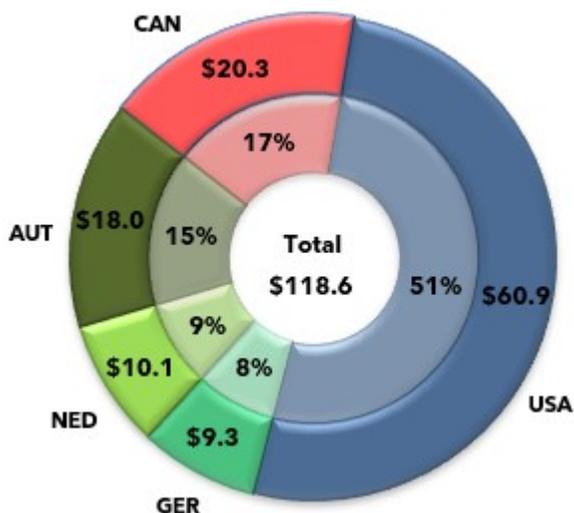
NOI - cash basis for the three month periods and years ended December 31, 2025 and 2024 by geography was as follows:

NOI - Cash Basis by Geography

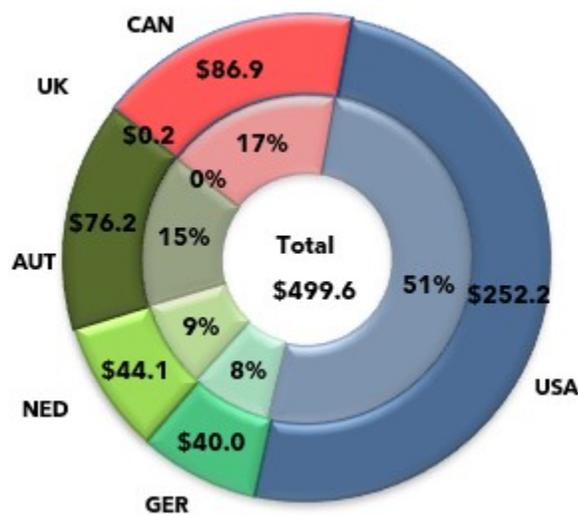
Fourth Quarter 2025



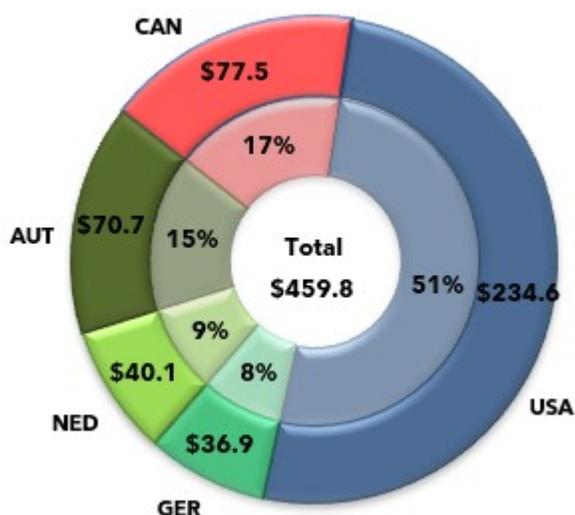
Fourth Quarter 2024



Year 2025



Year 2024



Granite’s property portfolio and NOI - cash basis are geographically diversified, which reduces the risk to Granite’s operating results from any particular country’s economic downturn.

Same property NOI - cash basis for the three month periods and years ended December 31, 2025 and 2024 by geography was as follows:

Same Property NOI - Cash Basis by Geography

	Three Months Ended December 31,			Years Ended December 31,		
	2025	2024	% change	2025	2024	% change
Canada	\$24.4	\$20.2	20.8 %	\$80.9	\$73.2	10.5 %
United States	61.5	57.1	7.7 %	238.0	219.8	8.3 %
Austria	19.6	18.0	8.9 %	76.2	70.7	7.8 %
Germany	10.2	9.3	9.7 %	40.0	36.9	8.4 %
Netherlands	11.3	10.0	13.0 %	43.1	38.7	11.4 %
Same Property NOI - cash basis	\$127.0	\$114.6	10.8 %	\$478.2	\$439.3	8.9 %

Constant currency same property NOI - cash basis for the three month periods and years ended December 31, 2025 and 2024 by geography was as follows, which is calculated by converting the comparative same property NOI - cash basis at current foreign exchange rates:

Constant Currency Same Property NOI - Cash Basis by Geography

	Three Months Ended December 31,			Years Ended December 31,		
	2025	2024	% change	2025	2024	% change
Canada	\$24.4	\$20.2	20.8 %	\$80.9	\$73.2	10.5 %
United States	61.5	56.9	8.1 %	238.0	224.0	6.3 %
Austria	19.6	19.5	0.5 %	76.2	75.3	1.2 %
Germany	10.2	10.1	1.0 %	40.0	39.3	1.8 %
Netherlands	11.3	11.0	2.7 %	43.1	41.2	4.6 %
Constant Currency Same Property NOI - cash basis ⁽¹⁾	\$127.0	\$117.7	7.9 %	\$478.2	\$453.0	5.6 %

⁽¹⁾ Constant currency same property NOI - cash basis is calculated by converting the comparative same property NOI - cash basis at current period average foreign exchange rates.

General and Administrative Expenses

General and administrative expenses consisted of the following:

General and Administrative Expenses						
	Three Months Ended December 31,			Years Ended December 31,		
	2025	2024	\$ change	2025	2024	\$ change
Salaries, incentives and benefits	\$ 5.0	\$ 4.7	0.3	\$ 19.0	\$ 18.7	0.3
Audit, legal and consulting	1.1	1.0	0.1	4.6	4.2	0.4
Trustee/director fees and related expenses including distributions	0.6	0.5	0.1	2.3	2.1	0.2
Executive unit-based compensation expense including distributions	1.7	1.2	0.5	6.2	4.7	1.5
Fair value remeasurement of trustee/director and executive unit-based compensation plans	2.4	(2.3)	4.7	5.4	(1.1)	6.5
Other public entity costs	0.7	0.6	0.1	2.5	2.6	(0.1)
Office rents including property taxes and common area maintenance costs	0.2	0.2	–	0.7	0.7	–
Capital tax	0.1	(0.6)	0.7	0.4	(1.0)	1.4
Information technology	0.7	0.6	0.1	2.7	2.6	0.1
Corporate restructuring costs	–	1.7	(1.7)	–	3.5	(3.5)
Other	1.0	0.8	0.2	2.6	2.4	0.2
	\$ 13.5	\$ 8.4	5.1	\$ 46.4	\$ 39.4	7.0
Less: capitalized general and administrative expenses	(0.2)	(0.1)	(0.1)	(0.5)	(0.5)	–
General and administrative expenses	\$ 13.3	\$ 8.3	5.0	\$ 45.9	\$ 38.9	7.0

General and administrative expenses were \$13.3 million for the three month period ended December 31, 2025 and increased \$5.0 million in comparison to the prior year period primarily as a result of the following:

- an increase in the fair value remeasurement expense associated with the trustee/director and executive unit-based compensation plans resulting from an increase in the market price of the Trust's units in the current year period compared to a decrease in the market price of the Trust's units in the prior year period;
- an increase in capital tax expense due to a tax refund recognized in the prior year period resulting from tax regulation changes in the State of Tennessee, USA;
- an increase in executive unit-based compensation expense primarily due to a higher number of restricted units ("RUs") granted relative to the prior year period resulting in a higher vesting expense of the RU grants;
- an increase in salaries and benefits expense primarily due to salary increases effective at the beginning of 2025; and
- an increase in other general and administrative expenses primarily due to increased travel costs in the current year period, partially offset by;
- a decrease in corporate restructuring costs due to the completion of a corporate restructuring initiative in the prior year period.

General and administrative expenses were \$45.9 million for the year ended December 31, 2025 and increased \$7.0 million in comparison to the prior year period primarily as a result of the following:

- an increase in the fair value remeasurement expense associated with the trustee/director and executive unit-based compensation plans resulting from an increase in the market price of the Trust's units in the current year period compared to a decrease in the market price of the Trust's units in the prior year period, partially offset by an increase in the number of deferred share units ("DSUs") settled in the current year period;
- an increase in executive unit-based compensation expense primarily due to a higher number of RUs granted relative to the prior year period resulting in a higher vesting expense of the RU grants;
- an increase in capital tax expense due to a tax refund recognized in the prior year period resulting from tax regulation changes in the State of Tennessee, USA;
- an increase in salaries and benefits expense primarily due to salary increases effective at the beginning of 2025;
- an increase in audit, legal, and consulting expense primarily due to an increase in tax and ESG consulting fees;
- an increase in trustee/director fees and related expenses primarily relating to an increase in the number of DSUs granted in the current year period; and
- an increase in other general and administrative expenses primarily due to increased travel costs in the current year period, partially offset by;
- a decrease in corporate restructuring costs due to the completion of a corporate restructuring initiative in the prior year period.

Interest Income

Interest income for the three month period ended December 31, 2025 decreased \$2.7 million to \$0.7 million from \$3.4 million in the prior year period. The decrease is generally due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period, primarily due to the higher interest income earned in the prior year period from the investment of net proceeds received from the issuance of the October 2029 Debentures on October 4, 2024 that were held in interest bearing investment accounts until the repayment of the 2024 Term Loan upon maturity on December 19, 2024.

Interest income for the year ended December 31, 2025 decreased \$4.0 million to \$3.1 million from \$7.1 million in the prior year period. The decrease is generally due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period, which includes the higher interest income earned in the prior year period from the investment of net proceeds received from the issuance of the October 2029 Debentures on October 4, 2024 that were held in interest bearing investment accounts until the repayment of the 2024 Term Loan upon maturity on December 19, 2024, as noted previously.

Interest Expense and Other Financing Costs

Interest expense and other financing costs for the three month period ended December 31, 2025 increased \$1.0 million to \$24.8 million from \$23.8 million in the prior year period. The increase was primarily due to the increase in interest resulting from draws on Granite's Credit Facility, and the general increase in foreign-denominated interest due to the weakening of the Canadian dollar against the Euro, partially offset by the interest savings from the issuance of the

2026 Debentures at a lower market interest rate than the interest rate of the December 2026 Term Loan it refinanced, the partial prepayments of the September 2026 Term Loan in December 2024 and October 2025, and the increase in capitalized interest resulting from higher development activity in the current year period.

Interest expense and other financing costs for the year ended December 31, 2025 increased \$7.0 million to \$96.9 million from \$89.9 million in the prior year period. The increase was primarily due to the increase in interest expense as a result of the issuance of the October 2029 Debentures at a higher market interest rate than the interest rate of the US\$185.0 million term facility that matured on December 19, 2024 (the "2024 Term Loan") it refinanced, the increase in interest resulting from draws on Granite's Credit Facility, the general increase in foreign-denominated interest due to the weakening of the Canadian dollar against the US dollar and Euro, and the decrease in capitalized interest primarily reflecting lower development activity in the current year period, partially offset by interest savings from the issuance of the 2031 Debentures in October 2024 at a lower market interest rate than the interest rate of the US\$400.0 million senior unsecured non-revolving term facility that matured on September 15, 2025 (the "2025 Term Loan") it refinanced, the interest savings from the issuance of the 2026 Debentures at a lower market interest rate than the interest rate of the December 2026 Term Loan it refinanced, and the partial prepayments of the September 2026 Term Loan in December 2024 and October 2025.

As at December 31, 2025, Granite's weighted average cost of interest-bearing debt was 2.72% (December 31, 2024 - 2.74%) and its weighted average debt term-to-maturity was 3.4 years (December 31, 2024 - 4.3 years).

Foreign Exchange Gains and Losses, Net

Granite recognized net foreign exchange gains of \$0.2 million and net foreign exchange losses of \$13.9 million in the three months ended December 31, 2025 and 2024, respectively. Granite recognized net foreign exchange losses of \$0.8 million and \$14.4 million in the years ended December 31, 2025 and 2024, respectively. The decreases in net foreign exchange losses for both the three months and year ended December 31, 2025 are primarily due to the decrease in the foreign exchange losses from the remeasurement of certain monetary assets and liabilities of the Trust that are denominated in US dollars and Euros not forming part of a net investment in a foreign operation that represent capital transactions impacting profit and loss, partially offset by an increase in foreign exchange losses realized from the settlement of foreign exchange collar contracts in the current year periods.

Fair Value Gains and Losses on Investment Properties, Net

Net fair value gains on investment properties were \$60.5 million and net fair value losses on investment properties were \$1.5 million in the three months ended December 31, 2025 and 2024, respectively. In the three months ended December 31, 2025, net fair value gains of \$60.5 million were primarily attributable to increases in fair market rents at numerous properties in the U.S, the compression in discount and terminal capitalization rates at select U.S. properties, as well as positive leasing activity, including the lease-up of previously completed developments in the U.S.

Net fair value losses on investment properties in the three months ended December 31, 2024 of \$1.5 million were primarily attributable to the expansion in the discount and terminal capitalization rates at select properties in Granite's Canadian and U.S. markets, partially offset by fair market rent increases at select U.S. properties.

Net fair value losses on investment properties were \$5.6 million and net fair value gains on investment properties were \$53.0 million in the years ended December 31, 2025 and 2024, respectively. In the year ended December 31, 2025, net fair value losses of \$5.6 million were primarily attributable to the expansion in the discount and terminal capitalization rates at select properties across all of Granite's markets due to market conditions, and the expected realization of capital expenditures at various properties in the United States, Germany and Netherlands, partially offset by fair market rent increases at numerous properties primarily in the U.S. and Europe, the compression in discount and terminal capitalization rates at select U.S. properties, and positive leasing activity, including the lease-up of previously completed developments in the U.S.

Net fair value gains on investment properties in the year ended December 31, 2024 of \$53.0 million were primarily attributable to the stabilization of a development property in Brantford, Canada, which was completed and transferred to income-producing properties during the first quarter of 2024, the lease renewals of two properties in the GTA, and fair market rent increases in select markets, partially offset by the expansion in discount and terminal capitalization rates across select Granite markets largely due to market conditions.

Fair Value Gains and Losses on Financial Instruments, Net

The net fair value gains on financial instruments for the three month period ended December 31, 2025 and December 31, 2024 were \$1.1 million and \$12.6 million, respectively. The net fair value gains on financial instruments for the year ended December 31, 2025 and December 31, 2024 were \$1.1 million and \$5.2 million, respectively.

The net fair value gains on financial instruments for the three months ended December 31, 2025 and for the year ended December 31, 2025 are primarily related to the net fair value gains on foreign exchange collar contracts. The Trust partially employed or did not employ hedge accounting for certain derivatives and foreign exchange collars, therefore the change in fair value thereon is recognized in fair value gains on financial instruments, net, in the audited consolidated combined statements of net income.

The net fair value gains on financial instruments for the three months ended December 31, 2024 are primarily related to the fair value gains incurred as a result of the de-designation of the cross currency interest rate swap related to the 2024 Term Loan (the "2024 Cross Currency Interest Rate Swap") (for the period October 4, 2024 to December 19, 2024), partially offset by the fair value losses on the foreign exchange collar contracts. The net fair value gains on financial instruments for the year ended December 31, 2024 are related to the fair value gains incurred as a result of the de-designation of the 2024 Cross Currency Interest Rate Swap (for the period October 4, 2024 to December 19, 2024), partially offset by the fair value losses prior to October 4, 2024 on the ineffective hedge portion of the 2024 Cross Currency Interest Rate Swap, and the fair value losses on the foreign exchange collar contracts. The Trust partially employed or did not employ hedge accounting for certain derivatives and foreign exchange collars, therefore the change in fair value thereon is recognized in fair value gains on financial instruments, net, in the audited consolidated combined statements of net income.

The Trust periodically purchases foreign exchange collars to hedge specific anticipated foreign currency transactions and to mitigate its foreign exchange exposure on its net cash flows. As at December 31, 2025, the Trust held no outstanding foreign exchange collar contracts (December 31, 2024 – 12) and therefore a notional value of zero (December 31, 2024 – US\$84.0 million) which contract the Trust to sell US dollars and receive Canadian dollars if specific US dollar exchange rates relative to the Canadian dollar are met. As at December 31, 2025, the Trust also held 30 outstanding foreign exchange collar contracts (December 31,

2024 – 12) with a notional value of €48.0 million (December 31, 2024 – €24.0 million) which contract the Trust to sell Euros and receive Canadian dollars if specific Euro exchange rates relative to the Canadian dollar are met.

Loss on Sale of Investment Properties

The loss on sale of investment properties for the three month period and for the year ended December 31, 2025 was \$2.0 million and primarily related to broker commissions and legal and advisory costs associated with the dispositions of three properties in the United States on December 19, 2025. No properties were disposed of during the three month period and year ended December 31, 2024.

Income Tax Expense

Income tax expense is comprised of the following:

Income Tax Expense							
	Three Months Ended December 31,			Years Ended December 31,			
	2025	2024	\$ change	2025	2024	\$ change	
Foreign operations	\$ 3.0	\$ 2.3	0.7	\$ 11.6	\$ 9.9	1.7	
Withholding taxes	–	0.2	(0.2)	–	0.2	(0.2)	
Other	(1.6)	(1.6)	–	(1.7)	(1.4)	(0.3)	
Current tax expense	1.4	0.9	0.5	9.9	8.7	1.2	
Deferred tax expense	18.3	3.7	14.6	8.6	22.2	(13.6)	
Income tax expense	\$ 19.7	\$ 4.6	15.1	\$ 18.5	\$ 30.9	(12.4)	

For the three months ended December 31, 2025, current tax expense increased compared to the prior year period primarily due to the impact of the weakening of the Canadian dollar on Euro denominated tax expenses as compared to the prior year period. In the three months ended December 31, 2025, the Trust recognized a tax recovery of \$1.6 million representing the reversal of a tax provision relating to a taxation year that has gone statute barred (three months ended December 31, 2024 - \$1.6 million).

For the year ended December 31, 2025, current tax expense increased compared to the prior year period primarily due to the impact of the weakening of the Canadian dollar on Euro denominated tax expenses as compared to the prior year period, partially offset by the release of a German withholding tax reserve pertaining to a prior tax year in the first quarter of 2025. For the year ended December 31, 2025, the Trust recognized a tax recovery of \$1.6 million representing the reversal of a tax provision relating to a taxation year that has gone statute barred (year ended December 31, 2024 - \$1.6 million).

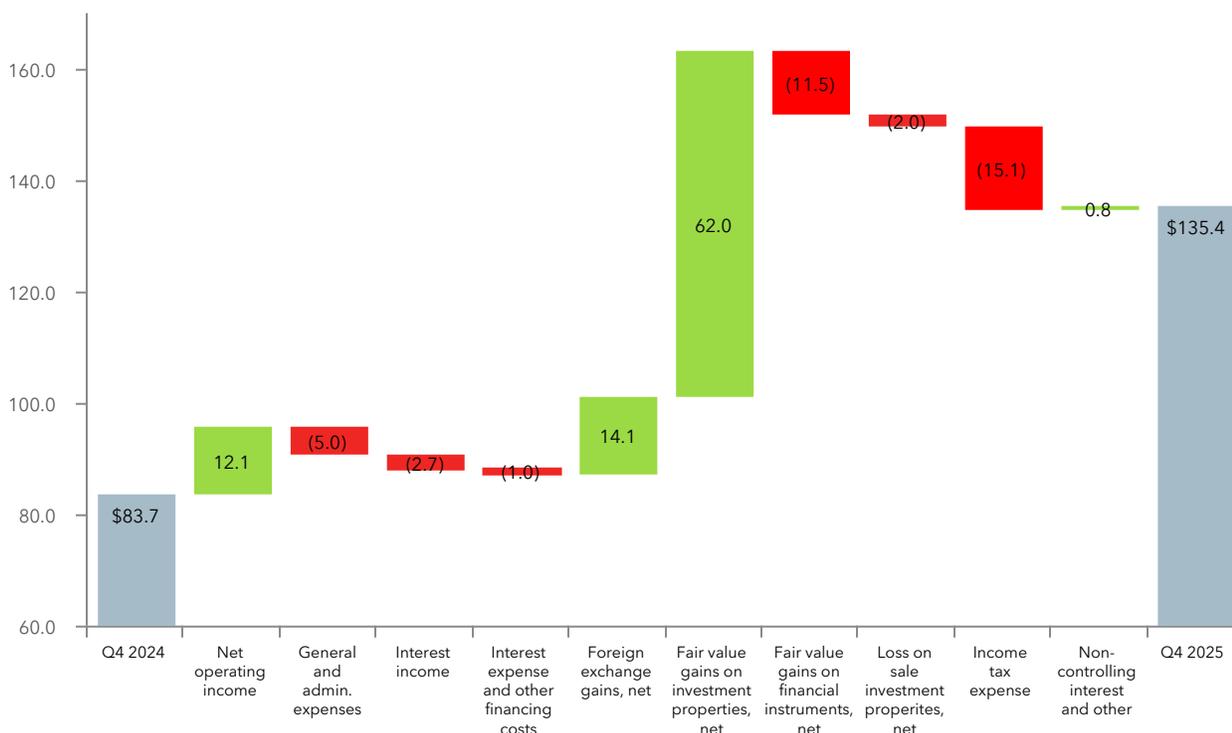
For the three months ended December 31, 2025, deferred tax expense increased compared to the prior year period primarily due to the change in fair value on investment properties recognized in jurisdictions in which deferred taxes are recorded as compared to the prior year period.

For the year ended December 31, 2025, deferred tax expense decreased compared to the prior year period primarily due to the decrease of future tax rates for Germany announced in July 2025.

Net Income Attributable to Unitholders

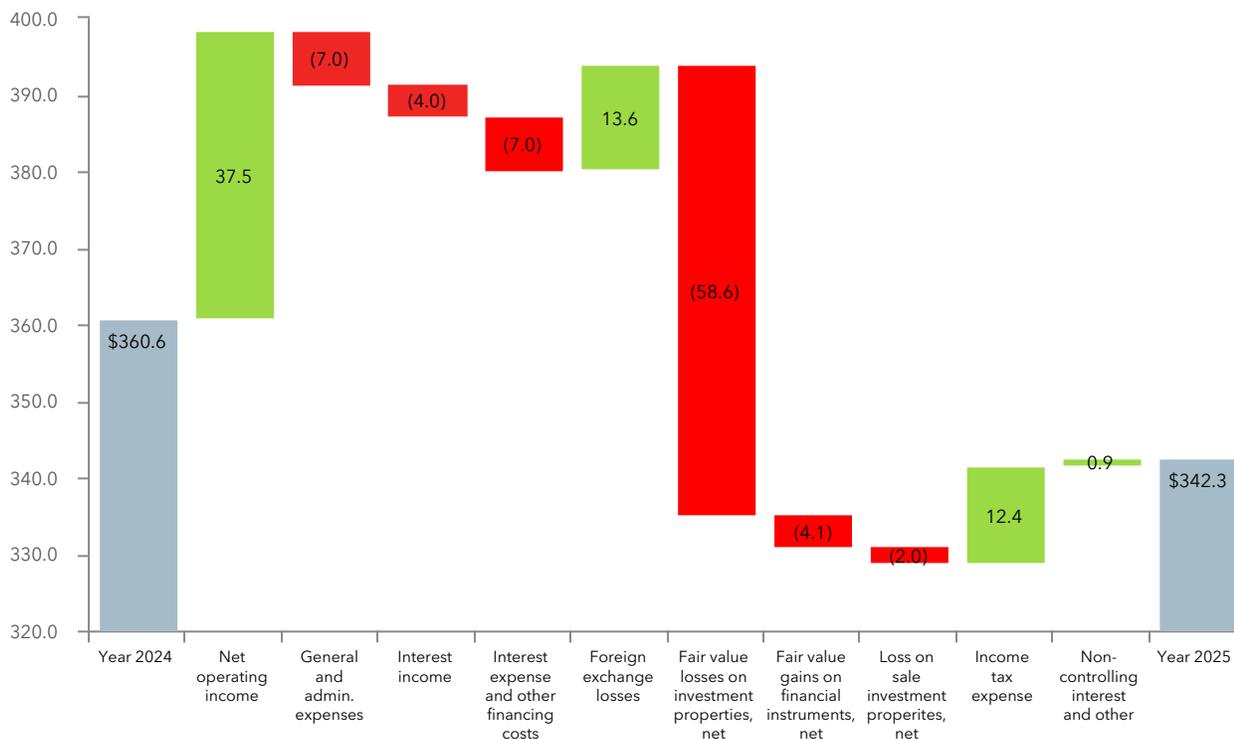
For the three month period ended December 31, 2025, net income attributable to unitholders was \$135.4 million compared to \$83.7 million in the prior year period. The increase in net income attributable to unitholders was primarily due to a \$62.0 million favourable change in fair value adjustments on investment properties, a \$14.1 million favourable change in foreign exchange gains, and a \$12.1 million increase in net operating income, partially offset by a \$15.1 million increase in income tax expense, a \$11.5 million unfavourable change in fair value gains on financial instruments, and a \$5.0 million increase in general and administrative expenses. The period-over-period variance is further summarized below:

Q4 2025 vs Q4 2024 Change in Net Income Attributable to Unitholders



For the year ended December 31, 2025, net income attributable to unitholders was \$342.3 million compared to \$360.6 million in the prior year period. The decrease in net income attributable to unitholders was primarily due to a \$58.6 million unfavourable change in fair value adjustments on investment properties, a \$7.0 million increase in interest expense and other financing costs, and a \$7.0 million increase in general and administrative expenses, partially offset by a \$37.5 million increase in net operating income, a \$13.6 million decrease in foreign exchange losses, and a \$12.4 million decrease in income tax expense. The period-over-period variance is further summarized below:

Year 2025 vs Year 2024 Change in Net Income Attributable to Unitholders



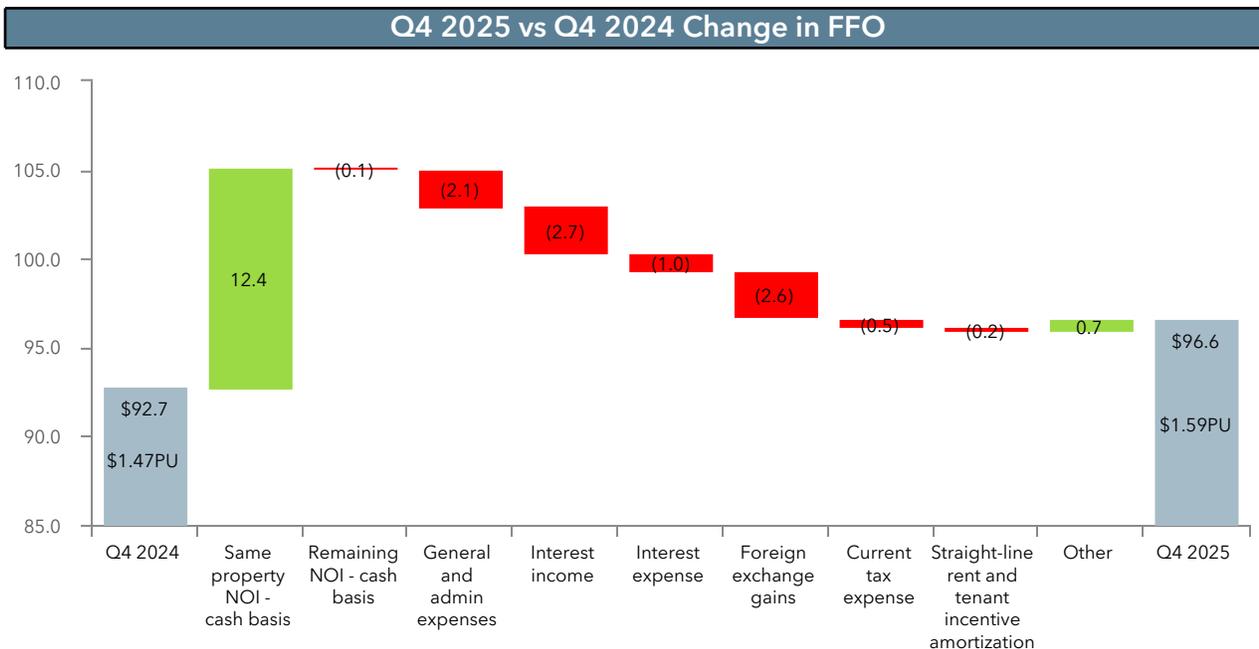
Funds From Operations and Adjusted Funds From Operations

The reconciliation of net income attributable to unitholders to FFO and AFFO for the three months and years ended December 31, 2025 and 2024, respectively, is presented below:

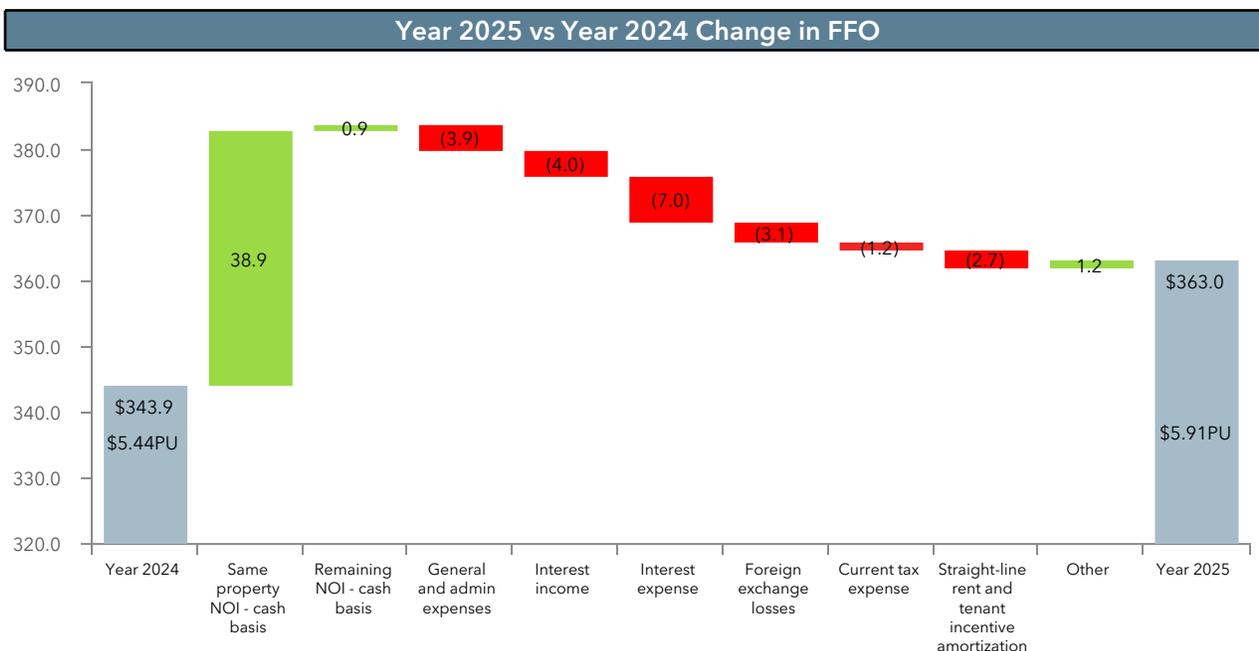
FFO and AFFO Reconciliation					
		Three Months Ended December 31,		Years Ended December 31,	
		2025	2024	2025	2024
<i>(in millions, except per unit information)</i>					
Net income attributable to unitholders		\$ 135.4	\$ 83.7	\$ 342.3	\$ 360.6
Add (deduct):					
Fair value (gains) losses on investment properties, net		(60.5)	1.5	5.6	(53.0)
Fair value gains on financial instruments, net		(1.1)	(12.6)	(1.1)	(5.2)
Foreign exchange losses on certain monetary items		–	16.7	–	16.7
Loss on sale of investment properties		2.0	–	2.0	–
Deferred tax expense		18.3	3.7	8.6	22.2
Fair value remeasurement of the Executive Deferred Unit Plan		1.7	(0.7)	3.8	(0.2)
Fair value remeasurement of the Directors Deferred Unit Plan		0.7	(1.5)	1.7	(0.9)
Corporate restructuring costs		–	1.7	–	3.5
Non-controlling interests relating to the above		0.1	0.2	0.1	0.2
FFO	[A]	\$ 96.6	\$ 92.7	\$ 363.0	\$ 343.9
Add (deduct):					
Maintenance or improvement capital expenditures incurred		(11.9)	(4.3)	(25.0)	(14.4)
Leasing costs		(1.5)	(5.4)	(7.5)	(7.5)
Tenant allowances		(1.5)	(1.6)	(1.6)	(3.2)
Tenant incentive amortization		–	–	–	0.1
Straight-line rent amortization		(2.4)	(2.6)	(9.1)	(11.8)
Non-controlling interests relating to the above		–	–	–	–
AFFO	[B]	\$ 79.3	\$ 78.8	\$ 319.8	\$ 307.1
Per unit amounts:					
Basic FFO per unit	[A]/[C]	\$ 1.59	\$ 1.48	\$ 5.94	\$ 5.46
Diluted FFO per unit	[A]/[D]	\$ 1.59	\$ 1.47	\$ 5.91	\$ 5.44
Basic AFFO per unit	[B]/[C]	\$ 1.31	\$ 1.26	\$ 5.23	\$ 4.87
Diluted AFFO per unit	[B]/[D]	\$ 1.30	\$ 1.25	\$ 5.21	\$ 4.86
Basic weighted average number of units	[C]	60.6	62.7	61.1	63.0
Diluted weighted average number of units	[D]	60.9	63.0	61.4	63.2

Funds From Operations

FFO for the three month period ended December 31, 2025 was \$96.6 million (\$1.59 per unit) compared to \$92.7 million (\$1.47 per unit) in the prior year period. The \$3.9 million (\$0.12 per unit) increase in the FFO components is summarized below:

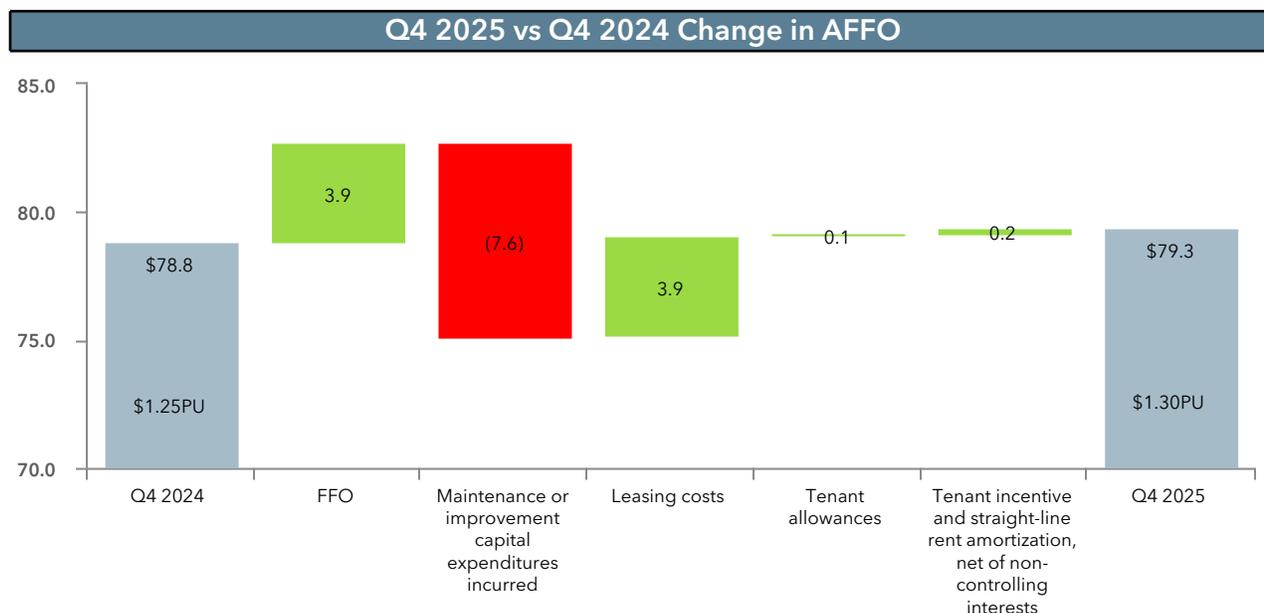


FFO for the year ended December 31, 2025 was \$363.0 million (\$5.91 per unit) compared to \$343.9 million (\$5.44 per unit) in the prior year period. The \$19.1 million (\$0.47 per unit) increase in the FFO components is summarized below:



Adjusted Funds From Operations

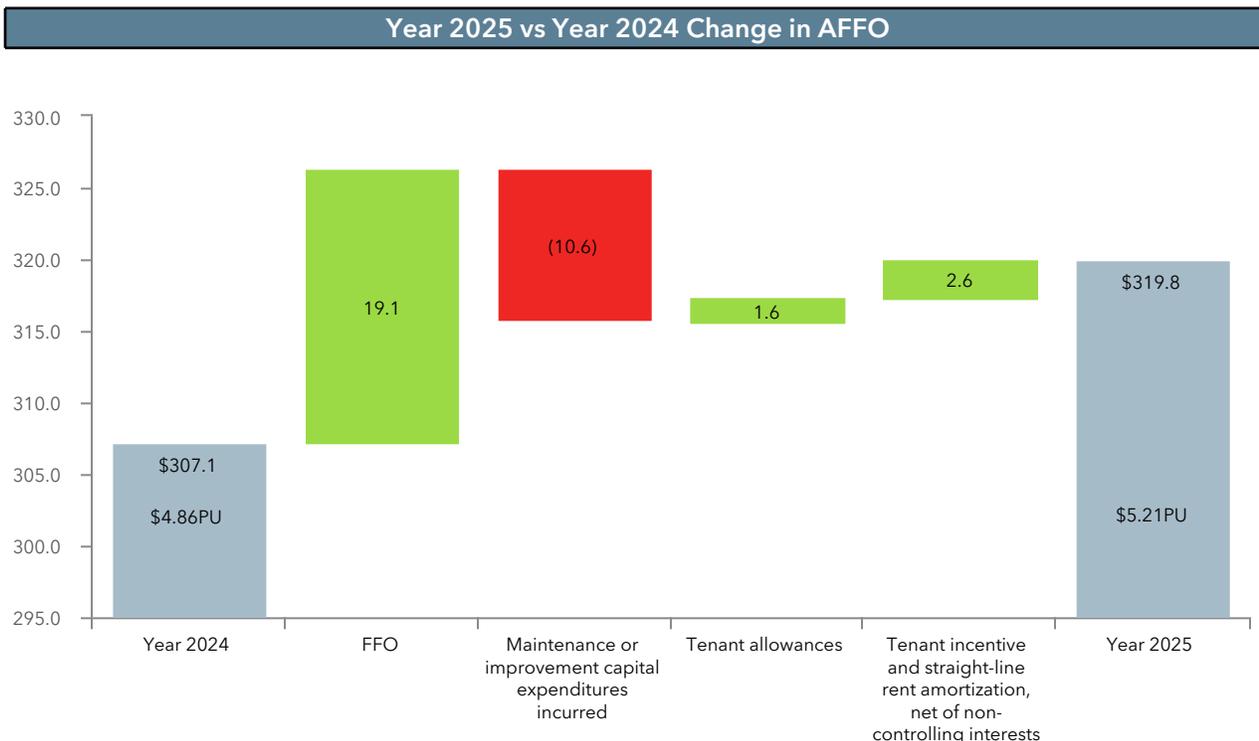
AFFO for the three month period ended December 31, 2025 was \$79.3 million (\$1.30 per unit) compared to \$78.8 million (\$1.25 per unit) in the prior year period. The \$0.5 million (\$0.05 per unit) increase in AFFO components is summarized below:



Additional details pertaining to the components of the change in AFFO are as follows:

- the \$3.9 million increase in FFO, as noted previously;
- a \$3.9 million increase in AFFO primarily from lower leasing costs in the current year period;
- a \$0.2 million increase in AFFO from a decrease in tenant incentive and straight-line rent amortization, net of non-controlling interests, primarily due to the expiration of rent-free periods relating to a lease renewal and an expansion lease for an existing property in the United States in the prior year period; and
- a \$0.1 million increase in AFFO from a decrease in tenant allowances paid in the current year period relative to the prior year period, partially offset by;
- a \$7.6 million decrease in AFFO from higher maintenance or improvement capital expenditures incurred in the current year period relative to the prior year period.

AFFO for the year ended December 31, 2025 was \$319.8 million (\$5.21 per unit) compared to \$307.1 million (\$4.86 per unit) in the prior year period. The \$12.7 million (\$0.35 per unit) increase in AFFO components is summarized below:



Additional details pertaining to the components of the change in AFFO are as follows:

- the \$19.1 million increase in FFO, as noted previously;
- a \$2.6 million increase in AFFO primarily due to the expiration of rent-free periods relating to an extension lease, new leases and lease renewals for properties in the United States and Canada and new leases for completed development properties in the United States and Canada in the prior year period; and
- a \$1.6 million increase in AFFO from a decrease in tenant allowances incurred in the current year period relative to the prior year period, partially offset by;
- a \$10.6 million decrease in AFFO from higher maintenance or improvement capital expenditures incurred in the current year period relative to the prior year period.

INVESTMENT PROPERTIES

Granite's investment properties consist of income-producing properties and development properties. Substantially all of the income-producing properties are for industrial use and can be categorized as (i) distribution/e-commerce, (ii) industrial/warehouse, (iii) flex/office or (iv) special purpose properties designed and built with specialized features and leased primarily to Magna.

The attributes of the income-producing properties are versatile and are based on the needs of the tenant such that an industrial property used by a certain tenant for light or heavy manufacturing can be used by another tenant for other industrial uses after some retrofitting if necessary. Accordingly, the investment property portfolio is substantially for industrial use and, as such, Granite determined that its asset class comprises industrial properties for purposes of financial reporting. The fair value of the industrial properties, as noted below, is based upon the current tenanting, existing use and attributes of such properties.

Development properties are comprised of both properties under development and land held for development:

- i. a 34.0 acre site in Brantford, Ontario where Granite is currently seeking site plan approval for its second phase of development for up to 0.7 million square feet;
- ii. a 68.7 acre site in Houston, Texas where Granite is currently seeking site plan approval and continues its site infrastructure work for the future phases of development for up to 0.7 million square feet;
- iii. a 30.8 acre site in Houston, Texas where Granite has commenced vertical construction at its 0.4 million square foot, 36' clear height, state-of-the-art modern distribution facility. The build-to-suit facility being constructed for a global consumer food product company is expected to be completed in the fourth quarter of 2026;
- iv. 12.9 acres of development land in West Jefferson, Ohio;
- v. the remaining 36.0 acre parcel of land in Brantford, Ontario, for the development of a multi-phased business park comprising a total of approximately 0.6 million square feet of modern distribution and logistics space upon completion; and
- vi. 10.1 acres of land in Brant County, Ontario for the development of a 0.2 million square foot modern distribution facility.

Summary attributes of the investment properties as at December 31, 2025 and December 31, 2024 are as follows:

Investment Properties Summary		
As at December 31, <i>(in millions, except as noted)</i>	2025	2024
Investment properties - fair value	\$9,478.4	\$9,397.3
Income-producing properties	9,359.3	9,297.1
Development properties ⁽⁴⁾	119.1	100.2
Overall capitalization rate ⁽¹⁾	5.6 %	5.3 %
Number of investment properties	147	143
Income-producing properties	141	138
Development properties ⁽⁴⁾	6	5
Property metrics		
GLA, square feet	62.6	63.3
Occupancy, by GLA	98.0 %	94.9 %
Committed occupancy, by GLA ⁽³⁾	98.6 %	95.0 %
Weighted average lease term in years, by GLA	5.5	5.7
Total number of tenants	132	120
Magna as a percentage of annualized revenue ⁽²⁾	26 %	26 %
Magna as a percentage of GLA	19 %	19 %

⁽¹⁾ Overall capitalization rate pertains only to income-producing properties.

⁽²⁾ Annualized revenue presented is calculated as the contractual base rent for the month subsequent to the quarterly reporting period multiplied by 12 months. Annualized revenue excludes revenue from properties classified as assets held for sale.

⁽³⁾ Committed occupancy as at February 25, 2026.

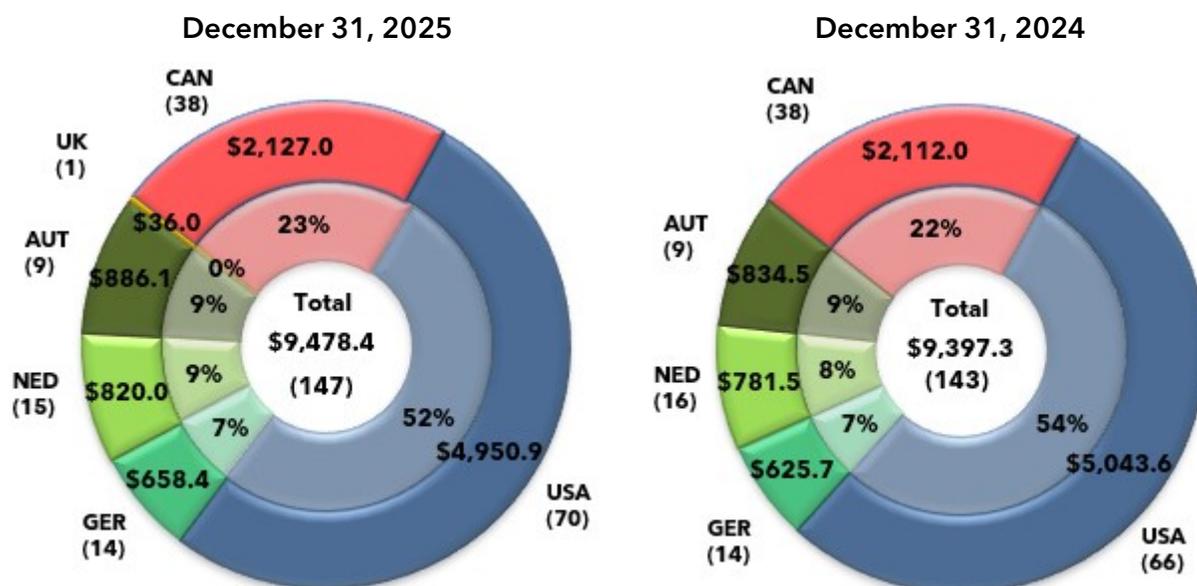
⁽⁴⁾ Development properties include properties under development and land held for development.

Assets Held for Sale⁽¹⁾		
As at December 31, <i>(in millions, except as noted)</i>	2025	2024
Assets held for sale		
Fair value	\$81.0	\$-
Number of properties	2	-
GLA, square feet	0.7	-
Magna as a percentage of GLA	- %	-
Annualized revenue	\$-	\$-

⁽¹⁾ Assets held for sale are excluded from investment properties and related property metrics. Accordingly, two such assets that were held for sale as at December 31, 2025 were excluded from investment properties and related property metrics as at December 31, 2025 throughout this MD&A. There were no assets classified as held for sale as at December 31, 2024.

Granite has a high-quality global portfolio of large-scale properties strategically located in Canada, the United States and Europe. The fair value of the investment properties by country as at December 31, 2025 and December 31, 2024 was as follows:

Fair Value of Investment Properties by Geography ⁽¹⁾



⁽¹⁾ Number of properties denoted in parentheses.

The change in the fair value of investment properties by geography during the year ended December 31, 2025 was as follows:

Change in Fair Value of Investment Properties by Geography

	January 1, 2025	Acquisitions	Dispositions	Capital and leasing expenditures	Developments and expansion	Straight-line rent & other	Fair value gains (losses)	Foreign exchange	Classified as assets held for sale	December 31, 2025
Income-Producing Properties										
Canada	\$ 2,032.2	\$ -	\$ -	\$ 2.1	\$ -	\$ 2.6	\$ 9.2	\$ -	\$ -	\$ 2,046.1
USA	5,023.2	306.3	(189.5)	39.1	1.3	6.5	9.2	(240.0)	(43.4)	4,912.7
Austria	834.5	-	-	-	-	0.1	(14.3)	65.8	-	886.1
Germany	625.7	-	-	0.1	-	0.1	(16.8)	49.3	-	658.4
Netherlands	781.5	-	-	0.9	2.9	(0.1)	10.1	62.3	(37.6)	820.0
United Kingdom	-	39.1	-	-	-	-	(3.0)	(0.1)	-	36.0
	9,297.1	345.4	(189.5)	42.2	4.2	9.2	(5.6)	(62.7)	(81.0)	9,359.3
Development Properties										
USA	20.4	-	-	-	19.2	-	-	(1.4)	-	38.2
Canada	79.8	-	-	-	1.1	-	-	-	-	80.9
	100.2	-	-	-	20.3	-	-	(1.4)	-	119.1
Total	\$ 9,397.3	\$ 345.4	\$ (189.5)	\$ 42.2	\$ 24.5	\$ 9.2	\$ (5.6)	\$ (64.1)	\$ (81.0)	\$ 9,478.4

During the year ended December 31, 2025, the fair value of investment properties increased by \$81.1 million primarily due to:

- the acquisitions of eight income-producing properties in the United States and the United Kingdom for \$341.8 million, excluding associated transaction costs (see "SIGNIFICANT MATTERS - Property Acquisitions");

- income-producing property additions of \$42.2 million relating to capital projects and leasing activity at properties primarily in the United States; and
- development additions of \$24.5 million primarily relating to a property under development, which has progressed into construction in the United States (see “SIGNIFICANT MATTERS - Construction and Development Commitments”), partially offset by;
- the dispositions of three income-producing properties in the United States for \$189.5 million (see “SIGNIFICANT MATTERS - Property Dispositions”);
- the classification of two income-producing properties valued at \$81.0 million as assets held for sale. These properties are classified as assets held for sale on the audited consolidated combined balance sheet and excluded from the investment properties categorization (see “SIGNIFICANT MATTERS - Assets Held for Sale”); and
- foreign exchange losses of \$64.1 million resulting from the relative strengthening of the Canadian dollar against the US dollar, partially offset by the relative weakening of the Canadian dollar against the Euro.

Fair values were primarily determined by using a 10-year cash flow and subsequent reversionary value discounted back to present value. The valuation metrics utilized to derive Granite’s investment property valuations are determined by management. Granite does not value its investment properties based on models prepared by external appraisers but uses such external appraisals as data points, alongside other external market information for management to arrive at its own conclusions on values. Granite receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of Granite’s portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. There has been no change in the valuation methodology used during the year ended December 31, 2025. The key valuation metrics for Granite’s investment properties including the discount and terminal capitalization rates by jurisdiction are summarized in note 4 to the audited consolidated combined financial statements for the year ended December 31, 2025. In addition, valuation metrics for Granite’s income-producing properties by asset category and region as at December 31, 2025 and December 31, 2024 were as follows:

Valuation Metrics by Asset Category

	Distribution/ E-Commerce		Industrial/ Warehouse		Special purpose properties		Flex/ Office		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
As at December 31,										
Overall capitalization rate ⁽¹⁾⁽²⁾	5.28%	5.06%	5.36%	4.91%	7.34%	7.09%	6.00%	6.03%	5.58%	5.32%
Terminal capitalization rate ⁽¹⁾	6.14%	6.02%	5.97%	5.93%	6.66%	6.62%	7.20%	7.24%	6.21%	6.11%
Discount rate ⁽¹⁾	7.02%	6.95%	7.37%	7.10%	8.22%	7.88%	8.54%	8.36%	7.25%	7.11%

Valuation Metrics by Region

As at December 31, 2025	Canada	USA	Austria	Germany	Nether-lands	United Kingdom	Total
Income-producing property fair value	\$2,046.1	\$4,912.7	\$ 886.1	\$ 658.4	\$ 820.0	\$ 36.0	\$9,359.3
Overall capitalization rate ⁽¹⁾⁽²⁾	4.73%	5.37%	8.54%	6.00%	5.33%	8.44%	5.58%

As at December 31, 2024	Canada	USA	Austria	Germany	Nether-lands	United Kingdom	Total
Income-producing property fair value	\$2,032.2	\$5,023.2	\$ 834.5	\$ 625.7	\$ 781.5	\$ –	\$9,297.1
Overall capitalization rate ⁽¹⁾⁽²⁾	4.20%	5.26%	8.30%	5.80%	5.15%	– %	5.32%

(1) Weighted based on income-producing property fair value.

(2) Overall capitalization rate is calculated as stabilized net operating income (property revenue less property expenses) divided by the fair value of the property.

A sensitivity analysis of the fair value of income-producing properties to changes in the overall capitalization rate, terminal capitalization rate and discount rate at December 31, 2025 is presented below:

Sensitivity Analysis of Fair Value of Income-Producing Properties

Rate sensitivity	Overall capitalization rate	Terminal capitalization rate	Discount rate
+50 bps	8,531.5	8,941.6	9,017.4
+25 bps	8,923.9	9,142.2	9,186.3
Base rate	\$9,359.3	\$9,359.3	\$9,359.3
-25 bps	9,847.5	9,595.0	9,536.4
-50 bps	10,403.7	9,851.8	9,717.8

Capital Expenditures and Leasing Costs

Capital expenditures relate to sustaining the existing earnings capacity of the property portfolio and to generate new revenue streams and/or increase the productivity of a property. Capital expenditures can include expansion or development expenditures and maintenance or improvement expenditures. Expansion or development capital expenditures are discretionary in nature and are incurred to generate new revenue streams and/or increase the productivity of a property. Maintenance or improvement capital expenditures relate to sustaining the existing earnings capacity of a property. Leasing costs include direct leasing costs and lease incentives. Direct leasing costs include broker commissions incurred in negotiating and arranging tenant leases. Lease incentives include the cost of leasehold improvements to tenant spaces and/or cash allowances provided to tenants for leasehold improvement costs.

Included in total capital expenditure and leasing cost additions to income-producing properties are items which relate to the completion or lease up of recently acquired or developed properties. Such items are excluded from Granite's calculation of AFFO. A reconciliation of total capital and leasing cost additions to income-producing properties to those included in AFFO for the three months and years ended December 31, 2025 and 2024 is below:

Maintenance Capital Expenditures and Leasing Costs				
	Three Months Ended December 31,		Years Ended December 31,	
	2025	2024	2025	2024
Additions to income-producing properties:				
Leasing costs	\$ 6.2	\$ 5.4	\$ 15.4	\$ 8.3
Tenant improvements ⁽¹⁾	1.5	3.2	1.8	8.7
Maintenance capital expenditures	11.9	4.3	25.0	15.4
Other capital expenditures	1.1	0.8	4.2	22.9
	\$ 20.7	\$ 13.7	\$ 46.4	\$ 55.3
Less:				
Leasing costs and tenant improvements related to completed development activities	(4.7)	(1.6)	(8.1)	(6.3)
Capital expenditures related to expansions and completed developments	(1.1)	(0.8)	(4.2)	(22.9)
Capital expenditures related to property acquisitions and other	-	-	-	(1.0)
Capital expenditures and leasing costs included in AFFO	\$ 14.9	\$ 11.3	\$ 34.1	\$ 25.1

⁽¹⁾ Tenant improvements include tenant allowances and landlord's work.

The capital expenditure and leasing cost additions to income-producing properties by quarter for the trailing eight quarters were as follows:

Capital Expenditures and Leasing Costs - Trailing Eight Quarters									
		Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24
Total capital expenditures incurred		\$13.0	\$9.1	\$6.6	\$0.4	\$5.1	\$10.0	\$15.4	\$ 7.8
Total leasing costs and tenant improvements incurred		7.7	4.4	4.2	1.0	8.6	1.6	5.6	1.1
Total additions to income-producing properties	[A]	\$20.7	\$13.5	\$10.8	\$1.4	\$13.7	\$11.6	\$21.0	\$8.9
Less: Capital expenditures, leasing costs and tenant improvements related to acquisitions, expansions and completed developments and other		(5.8)	(3.0)	(2.8)	(0.7)	(2.4)	(6.4)	(13.9)	(7.5)
Capital expenditures and leasing costs included in AFFO	[B]	\$14.9	\$10.5	\$8.0	\$0.7	\$11.3	\$5.2	\$7.1	\$1.4
GLA, square feet	[C]	62.6	60.9	60.6	63.3	63.3	63.3	63.3	63.3
\$ total incurred per square foot	[A]/[C]	\$0.33	\$0.22	\$0.18	\$0.02	\$0.22	\$0.18	\$0.33	\$0.14
\$ capital expenditures and leasing costs included in AFFO per square foot	[B]/[C]	\$0.24	\$0.17	\$0.13	\$0.01	\$0.18	\$0.08	\$0.11	\$0.02

Development and Expansion Projects

The attributes of Granite's development projects as at December 31, 2025 were as follows:

Development and Expansion Projects									
	Land acreage (in acres)	Expected sq ft of construction (in millions)	Start date of construction	Target completion date	Actual construction costs as at December 31, 2025	Expected total construction cost ⁽¹⁾	Cost of Land	Total Expected Cost	Year-One Stabilized Yield ⁽²⁾
As at December 31, 2025									
Development Projects									
12 Wright St., Brantford, ON ⁽³⁾	33.9	0.7	Q2 2023	TBD	4.9	5.9	26.1	32.0	N/A
Houston, TX (Future Phases) ⁽³⁾	68.7	0.7	Q3 2023	TBD	1.3	4.3	10.1	14.4	N/A
Houston, TX (Phase III Building 5)	30.8	0.4	Q1 2025	Q4 2026	18.3	61.5	6.8	68.3	7.5 %
	133.4	1.8			\$24.5	\$71.7	\$43.0	\$114.7	N/A

(1) Construction cost excludes cost of land.

(2) Yield based on total cost including land.

(3) Total expected cost includes only development costs associated with the committed work at the property and does not include the cost of future building(s).

During the fourth quarter of 2025:

- Granite continued the site plan approval process for a second phase of its site in Brantford, Ontario for up to 0.7 million square feet;
- Granite continued the site plan approval process and site infrastructure work for the future phases of its site in Houston, Texas for up to 0.7 million square feet; and
- Granite commenced vertical construction at its 0.4 million square foot, 36' clear height, state-of-the-art modern distribution facility in Houston, Texas. The build-to-suit facility being constructed for a global consumer food product company is expected to be completed in the fourth quarter of 2026.

Leasing Profile

Magna, Granite's Largest Tenant

As at December 31, 2025, Magna International Inc. or one of its operating subsidiaries was the tenant at 27 (December 31, 2024 - 27) of Granite's income-producing properties and comprised 26% (December 31, 2024 - 26%) of Granite's annualized revenue and 19% (December 31, 2024 - 19%) of Granite's GLA.

According to its public disclosures, Magna International Inc. has a credit rating of A3 with a negative outlook by Moody's Investor Service, Inc. ("Moody's"), A(low) with a stable outlook confirmed by Morningstar DBRS and A- with a negative outlook by S&P Global Ratings. Magna is a global mobility technology company with complete vehicle engineering and contract manufacturing expertise. Magna's product capabilities include body, chassis, exteriors, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors, lighting and roof systems.

Granite's relationship with Magna is an arm's length landlord and tenant relationship governed by the terms of Granite's leases. Granite's properties are generally leased to operating subsidiaries of Magna International Inc. and are not guaranteed by the parent company; however, Magna International Inc. is the tenant under certain of Granite's leases. The terms of the lease arrangements with Magna generally provide for the following:

- the obligation of Magna to pay for costs of occupancy, including operating costs, property taxes and maintenance and repair costs;
- rent escalations based on either fixed-rate steps or inflation;
- renewal options tied to market rental rates or inflation;
- environmental indemnities from the tenant; and
- a right of first refusal in favour of Magna on the sale of a property.

Renewal terms, rates and conditions are typically set out in Granite's leases with Magna and form the basis for tenancies that continue beyond the expiries of the initial lease terms.

Granite expects Magna to continuously seek to optimize its global manufacturing footprint and consequently, Magna may or may not renew leases for facilities currently under lease at their expiries.

Other Tenants

In addition to Magna, as at December 31, 2025, Granite had 131 other tenants from various industries that in aggregate comprised 74% of the Trust's annualized revenue. Each of these tenants accounted for less than 4% of the Trust's annualized revenue as at December 31, 2025.

Granite's top 10 tenants by annualized revenue as at December 31, 2025 are summarized in the table below:

Top 10 Tenants Summary				
Tenant	Annualized Revenue %	GLA % ⁽⁴⁾	WALT (years) ⁽³⁾	Credit Rating ⁽¹⁾⁽²⁾
Magna	26.3 %	19.4 %	5.7	A-
Amazon	3.6 %	3.9 %	13.2	AA
Wayfair	2.7 %	1.2 %	4.8	B3
Mars Petcare US	2.4 %	3.5 %	4.6	NR
TV Hardware Distribution, LLC	1.8 %	2.2 %	15.2	NR
ADESA	1.6 %	0.3 %	3.6	BB-
Light Mobility Solutions GmbH	1.6 %	1.3 %	9.9	NR
Restoration Hardware	1.5 %	2.0 %	2.3	B3
Hanon Systems	1.4 %	0.7 %	5.2	AA-
Samsung Electronics America	1.4 %	1.2 %	0.7	AA-
Top 10 Tenants	44.3 %	35.7 %	6.6	

⁽¹⁾ Credit rating is quoted on the S&P Global Ratings rating scale or equivalent 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.

⁽³⁾ Weighted average lease term-to-maturity.

⁽⁴⁾ Assets held for sale are excluded from investment properties and related property metrics. Accordingly, two such assets that were held for sale as at December 31, 2025 were excluded from investment properties and related metrics throughout this MD&A.

Lease Expiration

As at December 31, 2025, Granite's portfolio had a weighted average lease term by square footage of 5.5 years (December 31, 2024 - 5.7 years) with lease expiries by GLA (in thousands of square feet) and any lease renewals committed adjusted accordingly, lease count and annualized revenue as set out in the table below:

Lease Maturity Summary																		
Country	Total GLA	Total Lease Count	Total Annualized Revenue \$	Vacancies	2026		2027		2028		2029		2030		2031		2032 and Beyond	
				Sq Ft	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$
Canada	7,007	37	100.1	-	720	9.5	529	7.2	775	12.3	816	13.5	1,274	22.4	-	-	2,893	35.2
Canada-committed ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Canada - net	7,007	37	100.1	-	720	9.5	529	7.2	775	12.3	816	13.5	1,274	22.4	-	-	2,893	35.2
United States	38,035	98	260.7	1,151	3,702	29.7	3,161	20.5	8,269	50.3	4,840	40.2	3,369	23.6	1,232	8.2	12,311	88.2
United States-committed ⁽¹⁾	-	-	-	-	(1,960)	(11.8)	-	-	76	0.6	-	-	-	-	248	1.6	1,636	9.6
United States - net	38,035	98	260.7	1,151	1,742	17.9	3,161	20.5	8,345	50.9	4,840	40.2	3,369	23.6	1,480	9.8	13,947	97.8
United States - committed vacancy ⁽²⁾	-	-	-	(400)	-	-	-	-	-	-	253	-	-	-	-	-	147	-
United States - net with committed vacancy	-	-	-	751	1,742	17.9	3,161	20.5	8,345	50.9	5,093	40.2	3,369	23.6	1,480	9.8	14,094	97.8
Austria	7,458	9	77.8	-	389	3.3	802	12.2	806	10.3	379	4.8	-	-	-	-	5,082	47.2
Austria-committed ⁽¹⁾	-	-	-	-	(389)	(3.3)	-	-	-	-	-	-	-	-	389	3.3	-	-
Austria-net	7,458	9	77.8	-	-	-	802	12.2	806	10.3	379	4.8	-	-	389	3.3	5,082	47.2
Germany	4,666	14	40.5	121	1,020	7.0	290	2.4	335	2.9	612	4.7	909	7.6	(303)	(2.2)	1,682	18.1
Germany-committed ⁽¹⁾	-	-	-	-	(1,020)	(7.0)	-	-	-	-	717	4.8	-	-	303	2.2	-	-
Germany-net	4,666	14	40.5	121	-	-	290	2.4	335	2.9	1,329	9.5	909	7.6	-	-	1,682	18.1
Netherlands	5,207	15	47.4	-	355	2.1	1,125	9.3	302	3.6	500	3.8	1,705	17.5	-	-	1,219	11.1
Netherlands-committed ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Netherlands - net	5,207	15	47.4	-	355	2.1	1,125	9.3	302	3.6	500	3.8	1,705	17.5	-	-	1,219	11.1
United Kingdom	187	1	3.1	-	-	-	187	3.1	-	-	-	-	-	-	-	-	-	-
United Kingdom-committed ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United Kingdom - net	187	1	3.1	-	-	-	187	3.1	-	-	-	-	-	-	-	-	-	-
Total - Gross	62,560	174	529.6	1,272	6,186	51.6	6,094	54.7	10,487	79.4	7,147	67.0	7,257	71.1	929	6.0	23,187	199.8
Total-committed⁽¹⁾	-	-	-	-	(3,369)	(22.1)	-	-	76	0.6	717	4.8	-	-	940	7.1	1,636	9.6
Total-Net, December 31, 2025	62,560	174	529.6	1,272	2,817	29.5	6,094	54.7	10,563	80.0	7,864	71.8	7,257	71.1	1,869	13.1	24,823	209.4
Total-Committed vacancy ⁽²⁾	-	-	-	(400)	-	-	-	-	-	-	253	-	-	-	-	-	147	-
Total-Committed occupancy ⁽³⁾	-	-	-	872	2,817	29.5	6,094	54.7	10,563	80.0	8,117	71.8	7,257	71.1	1,869	13.1	24,970	209.4
% of portfolio as at December 31, 2025:																		
* by sq ft (in %)	100.0	-	-	2.0	4.5	-	9.7	-	16.9	-	12.6	-	11.6	-	3.0	-	39.7	-
* by Annualized Revenue (in %)	-	-	100.0	-	-	5.6	10.3	-	15.1	-	13.6	-	13.4	-	2.5	-	39.5	-
% of committed portfolio as at February 25, 2026 ⁽³⁾ :																		
* by sq ft (in %)	100.0	-	-	1.4	4.5	-	9.7	-	16.9	-	13.0	-	11.6	-	3.0	-	39.9	-

⁽¹⁾ Committed represents leases signed on expiring GLA up to the current period end.

⁽²⁾ Committed vacancy represents leases commencing after the current period end, signed up until the date of the MD&A, on vacant GLA.

⁽³⁾ Committed occupancy includes net occupancy as at the current period end and committed vacancy as noted above.

Occupancy Roll Forward

The tables below provide a summary of occupancy changes during the three months and year ended December 31, 2025.

Occupancy Roll Forward for Q4 2025							
Three Months Ended December 31, 2025							
<i>(in thousands, sq ft, except as noted)</i>	Canada	USA	Austria	Germany	Netherlands	United Kingdom	Total
Total portfolio size, Oct 1, 2025	7,007	36,568	7,458	4,666	5,219	–	60,918
Vacancy, Oct 1, 2025	–	(1,939)	–	–	–	–	(1,939)
Occupancy, Oct 1, 2025 ..	7,007	34,629	7,458	4,666	5,219	–	58,979
Occupancy %, Oct 1, 2025	100.0 %	94.7 %	100.0 %	100.0 %	100.0 %	– %	96.8%
Acquired occupancy, net ..	–	1,270	–	–	–	187	1,457
Acquired vacancy, net	–	(21)	–	–	–	–	(21)
Occupied remeasurement	–	–	–	–	(12)	–	(12)
Transfers from assets held for sale	–	197	–	–	–	–	197
Expiries	(215)	(792)	–	(316)	–	–	(1,323)
Renewals	215	792	–	195	–	–	1,202
New Leases	–	809	–	–	–	–	809
Occupancy, December 31, 2025	7,007	36,884	7,458	4,545	5,207	187	61,288
Total portfolio size, December 31, 2025	7,007	38,035	7,458	4,666	5,207	187	62,560
Occupancy %, December 31, 2025	100.0%	97.0%	100.0%	97.4%	100.0%	100.0%	98.0%
Committed vacancy, February 25, 2026	–	400	–	–	–	–	400
Committed occupancy, February 25, 2026	7,007	37,284	7,458	4,545	5,207	187	61,688
Committed occupancy %, February 25, 2026	100.0%	98.0%	100.0%	97.4%	100.0%	100.0%	98.6%

Occupancy Roll Forward for Year 2025

<i>(in thousands, sq ft, except as noted)</i>	Year Ended December 31, 2025						Total
	Canada	USA	Austria	Germany	Netherlands	United Kingdom	
Total portfolio size, Jan 1, 2025	7,007	38,821	7,472	4,666	5,376	–	63,342
Vacancy, Jan 1, 2025	(166)	(2,925)	–	–	(114)	–	(3,205)
Occupancy, Jan 1, 2025	6,841	35,896	7,472	4,666	5,262	–	60,137
Occupancy %, Jan 1, 2025	97.6%	92.5%	100.0%	100.0%	97.9%	–%	94.9%
Acquired occupancy, net	–	1,395	–	–	–	187	1,582
Acquired vacancy, net	–	(21)	–	–	–	–	(21)
Occupied remeasurement	–	–	(14)	–	(12)	–	(26)
Transfers from assets held for sale	–	1,040	–	–	–	–	1,040
Dispositions and assets held for sale	–	(3,221)	–	–	(43)	–	(3,264)
Expiries	(1,260)	(2,915)	–	(316)	(628)	–	(5,119)
Renewals	1,237	2,663	–	195	628	–	4,723
New Leases	189	2,047	–	–	–	–	2,236
Occupancy, December 31, 2025	7,007	36,884	7,458	4,545	5,207	187	61,288
Vacant transfers to assets held for sale	–	–	–	–	(114)	–	(114)
Total portfolio size, December 31, 2025	7,007	38,035	7,458	4,666	5,207	187	62,560
Occupancy %, December 31, 2025	100.0%	97.0%	100.0%	97.4%	100.0%	100.0%	98.0%
Committed vacancy, February 25, 2026	–	400	–	–	–	–	400
Committed occupancy, February 25, 2026	7,007	37,284	7,458	4,545	5,207	187	61,688
Committed occupancy %, February 25, 2026	100.0%	98.0%	100.0%	97.4%	100.0%	100.0%	98.6%

New and Renewal Lease Spreads

The following table summarizes rental rate spreads achieved on new and renewal leasing during the three months and year ended December 31, 2025.

New and Renewal Lease Spreads

	Three Months Ended December 31, 2025		Year Ended December 31, 2025	
	Sq Ft (in thousands)	Rental Rate Spread ⁽¹⁾	Sq Ft (in thousands)	Rental Rate Spread ⁽¹⁾
Canada	215	72 %	1,236	118 %
United States	792	13 %	2,662	17 %
Austria	–	– %	–	– %
Germany	195	– %	195	– %
Netherlands	–	– %	662	4 %
Total	1,202	24 %	4,755	45 %

⁽¹⁾ Rental rate spread (%) is calculated as the difference in renewal rent over expiring rent.

For the three months ended December 31, 2025, leasing activity in Canada included one fair market rent renewal; in the United States, one contractual renewal, one fair market rent renewal, and one month-to-month fixed-rate extension; and in Germany, one renewal subject to conditional rent escalations linked to consumer price index.

For the year ended December 31, 2025, leasing activity included five fair market rent renewals in Canada, all located in the GTA; in the United States, three fair market rent renewals, two contractual fixed-rate renewals, and one continued month-to-month fixed-rate extension; in the Netherlands, two short-term lease renewals and one contractual renewal; and in Germany, one renewal subject to conditional consumer price index linked rent escalations.

In-Place Rental Rates

The following table summarizes the weighted average in-place rent by region:

Weighted Average In-Place Rent (Per Sq Ft) ⁽¹⁾⁽²⁾					
	December 31, 2025	September 30, 2025	December 31, 2024	WALT (years) ⁽³⁾	
Canada	\$ 14.29	\$ 13.99	\$ 12.00	5.7	
United States	\$ 5.28	\$ 5.01	\$ 5.02	5.3	
Austria	€ 6.49	€ 6.48	€ 6.45	6.5	
Germany	€ 5.53	€ 5.48	€ 5.42	5.4	
Netherlands	€ 5.66	€ 5.61	€ 5.54	4.3	
United Kingdom ..	£ 8.82	£ –	–	1.9	

⁽¹⁾ Amounts shown in local currency.

⁽²⁾ Weighted average in-place rent is calculated as the weighted average contractual base rent for the month subsequent to the quarterly reporting period multiplied by 12 months, divided by the total occupied area.

⁽³⁾ Weighted average lease term-to-maturity as at December 31, 2025.

As at December 31, 2025, the weighted average in-place rental rates increased in all jurisdictions when compared with the rates noted in September 30, 2025 and December 31, 2024. The increases are generally driven by lease renewals, new leasing at Granite's completed developments, and fixed contractual and consumer price index rent escalations, capturing strong positive rental rate spreads in these regions.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Granite has various sources of available liquidity including cash, cash equivalents and the unused portion of its Credit Facility that aggregated to \$931.8 million as at December 31, 2025 compared to \$1,123.4 million at December 31, 2024, as summarized below:

Sources of Available Liquidity		
As at December 31,	2025	2024
Cash and cash equivalents	\$ 139.6	\$ 126.2
Unused portion of Credit Facility	792.2	997.2
Available liquidity⁽¹⁾	\$ 931.8	\$ 1,123.4
Additional sources of liquidity:		
Assets held for sale ⁽²⁾	\$ 81.0	\$ –
Unencumbered assets ⁽²⁾	\$ 9,478.4	\$ 9,397.3

⁽¹⁾ Represents a non-GAAP performance measure. For definitions of Granite's non-GAAP performance measures, refer to the section "NON-GAAP PERFORMANCE MEASURES".

⁽²⁾ Unencumbered assets represent the fair value of investment properties (excluding any assets held for sale) that are not encumbered by secured debt. Granite can seek to obtain secured financing against its unencumbered assets subject to certain restrictions and financial covenant limitations in its Credit Facility, term loan agreements and trust indentures.

Granite intends to use its available liquidity to fund potential acquisitions of properties, to finance or refinance expenditures associated with Eligible Green Projects (as described in the Granite Green Bond Framework, which is available on Granite's website), for commitments under existing development projects, to refinance or repay its unsecured debt maturities, for unit repurchases under its NCIB, and for general trust purposes.

Management believes that the Trust's cash resources, cash flow from operations and available third-party borrowings will be sufficient to finance its operations and capital expenditures program over the next year as well as to pay distributions. Granite expects to fund its ongoing operations and future growth through the use of (i) existing cash and cash equivalents, (ii) cash flows from operating activities, (iii) cash flows from asset sales, (iv) financing available from the Credit Facility, (v) the issuance of unsecured debentures or equity, subject to market conditions and/or, if necessary, (vi) financing that may be obtained on its unencumbered assets.

Cash Flow Components

Components of the Trust's cash flows were as follows:

Cash Flow Components Summary						
	Three Months Ended December 31,			Years Ended December 31,		
	2025	2024	\$ change	2025	2024	\$ change
Cash and cash equivalents, beginning of period	\$ 127.9	\$ 133.5	(5.6)	\$ 126.2	\$ 116.1	10.1
Cash provided by operating activities	84.4	71.2	13.2	388.1	338.6	49.5
Cash used in investing activities	(127.4)	(15.9)	(111.5)	(203.6)	(65.4)	(138.2)
Cash provided by (used in) financing activities	58.6	(66.0)	124.6	(166.7)	(267.5)	100.8
Effect of exchange rate changes on cash and cash equivalents	(3.9)	3.4	(7.3)	(4.4)	4.4	(8.8)
Cash and cash equivalents, end of period	\$ 139.6	\$ 126.2	13.4	\$ 139.6	\$ 126.2	13.4

Operating Activities

During the three month period ended December 31, 2025, operating activities generated cash of \$84.4 million compared to \$71.2 million in the prior year period. The increase of \$13.2 million was due to various factors as noted in the "RESULTS OF OPERATIONS" section including, among others, the following:

- an increase of \$21.5 million of cash provided by working capital changes primarily due to timing of payments and receipts;
- an increase in NOI - cash basis of \$12.3 million; and
- a decrease of \$1.7 million relating to corporate restructuring costs in the prior year period, partially offset by;
- an increase of \$15.8 million in interest paid primarily due to the change in interest payment terms resulting from the replacement of the term loans, previously requiring monthly interest payments, with debentures, which have interest payable semi-annually in April and October, and higher debt balances, partially offset by a decrease in the weighted average cost of debt in the current year period;
- a decrease of \$2.7 million in interest income generally due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period, primarily due to less interest income earned from the investment of net proceeds received from the issuance of the October 2029 Debentures on October 4, 2024 that were held in interest bearing investment accounts until the repayment of the 2024 Term Loan upon maturity on December 19, 2024;
- an increase of \$1.5 million of income taxes paid;
- an increase of \$1.5 million in general and administrative expenses, excluding the impact of unit-based compensation; and
- an increase of \$1.3 million of cash foreign exchange losses.

During the year ended December 31, 2025, operating activities generated cash of \$388.1 million compared to \$338.6 million in the prior year period. The increase of \$49.5 million was

due to various factors as noted in the “RESULTS OF OPERATIONS” section including, among others, the following:

- an increase in NOI - cash basis of \$39.8 million;
- an increase of \$29.8 million from cash provided by working capital changes primarily due to timing of payments and receipts; and
- a decrease of \$3.5 million relating to corporate restructuring costs in the prior year period, partially offset by;
- an increase of \$13.8 million in interest paid primarily due to the issuance of the October 2029 Debentures at a higher market interest rate than the interest rate of the US\$185.0 million term facility that matured on December 19, 2024 (the “2024 Term Loan”) it refinanced and the increase in interest resulting from draws on Granite’s Credit Facility;
- an increase of \$2.2 million in general and administrative expenses, excluding the impact of unit-based compensation;
- an increase of \$1.8 million in foreign exchange losses;
- an increase of \$2.9 million of income taxes paid; and
- a decrease of \$4.0 million in interest income generally due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period, which includes less interest income earned from the investment of net proceeds received from the issuance of the October 2029 Debentures on October 4, 2024 that were held in interest bearing investment accounts until the repayment of the 2024 Term Loan upon maturity on December 19, 2024.

Investing Activities

Investing activities for the three month period ended December 31, 2025 used cash of \$127.4 million and primarily related to the following:

- the acquisition of six income-producing properties in the United States and the United Kingdom, and the settlement of other acquisition related liabilities for \$295.0 million (see “SIGNIFICANT MATTERS - Property Acquisitions”);
- additions to income-producing properties paid of \$10.0 million attributable to ongoing maintenance capital in the United States, Canada, and Europe;
- additions to development properties paid of \$3.3 million, primarily attributable to an ongoing development project in the United States;
- leasing costs paid of \$6.0 million primarily relating to leasing activity for properties in the United States; and
- tenant allowances paid of \$0.5 million primarily related to tenant improvement activity for properties in the United States, partially offset by;
- net proceeds of \$187.5 million received from the disposition of three income-producing properties in the United States (see “SIGNIFICANT MATTERS - Dispositions”).

Investing activities for the three month period ended December 31, 2024 used cash of \$15.9 million and primarily related to the following:

- additions to income-producing properties paid of \$9.2 million, primarily attributable to ongoing maintenance and expansion capital in Canada, and the United States;
- additions to development properties paid of \$0.5 million, primarily attributable to Granite's development projects in Canada and the United States;
- tenant allowances paid of \$1.4 million primarily attributable to tenant improvement activity for properties in the United States; and
- leasing costs paid of \$4.7 million primarily relating to leasing activity at properties in the United States and Canada.

Investing activities for the year ended December 31, 2025 used cash of \$203.6 million and primarily related to the following:

- the acquisition of eight income-producing properties in the United States and the United Kingdom, and the settlement of other acquisition related liabilities for \$344.2 million (see "*SIGNIFICANT MATTERS - Property Acquisitions*");
- additions to income-producing properties paid of \$23.3 million attributable to ongoing maintenance capital in the United States, Europe, and Canada;
- leasing costs paid of \$17.3 million largely relating to leasing activity for properties in the United States and Canada;
- additions to development properties paid of \$5.3 million, primarily attributable to Granite's development projects in the United States and Canada; and
- tenant allowances paid of \$0.8 million primarily related to tenant improvement activity for properties in the United States and Canada, partially offset by;
- net proceeds of \$187.5 million received from the disposition of three income-producing properties in the United States (see "*SIGNIFICANT MATTERS - Dispositions*").

Investing activities for the year ended December 31, 2024 used cash of \$65.4 million and primarily related to the following:

- additions to income-producing properties paid of \$47.7 million primarily attributable to two expansion projects in Canada and Netherlands completed in the third quarter of 2024, and the ongoing maintenance capital in the United States, Canada and Europe;
- leasing costs paid of \$7.0 million largely relating to leasing activity for properties in the United States and Canada;
- tenant allowances paid of \$6.4 million primarily related to tenant improvement activity for properties in the United States;
- additions to development properties paid of \$3.3 million, primarily attributable to Granite's development projects in Canada and the United States; and
- the final settlement attributable to a previously completed acquisition of \$0.8 million.

Financing Activities

Cash provided by financing activities for the three month period ended December 31, 2025 of \$58.6 million was primarily comprised of:

- \$127.0 million of net draws on the Credit Facility, partially offset by;

- \$51.5 million of monthly distribution payments; and
- \$16.5 million used for the partial repayment of the September 2026 Term Loan and the settlement of the related swap liability on the partial termination of the September 2026 Interest Rate Swap.

Cash used in financing activities for the three month period ended December 31, 2024 of \$66.0 million was largely comprised of:

- \$51.8 million of monthly distribution payments;
- \$823.8 million used for the repayment of the 2025 Term Loan, the repayment of the 2024 Term Loan and the partial repayment of the September 2026 Term Loan; and
- \$1.6 million used for the repurchase of units under the NCIB, partially offset by;
- \$795.7 million of net proceeds received from the issuance of the 2031 Debentures and the October 2029 Debentures; and
- \$15.9 million of net proceeds received on the settlement of the 2024 Cross Currency Interest Rate Swap.

Cash used in financing activities for the year ended December 31, 2025 of \$166.7 million was largely comprised of:

- \$208.1 million of monthly distribution payments;
- \$316.5 million used for the repayment of the December 2026 Term Loan and the partial repayment of the September 2026 Term Loan including the settlement of the related swap liability on the partial termination of the September 2026 Interest Rate Swap ; and
- \$144.6 million used for the repurchase of units under the NCIB, partially offset by;
- \$299.3 million of net proceeds received from the issuance of the 2026 Debentures; and
- \$205.0 million of net draws on the Credit Facility.

Cash used in financing activities for the year ended December 31, 2024 of \$267.5 million was largely comprised of:

- \$207.9 million of monthly distribution payments;
- \$823.8 million used for the repayment of the 2025 Term Loan, the repayment of the 2024 Term Loan and the partial repayment of the September 2026 Term Loan; and
- \$45.8 million used for the repurchase of units under the NCIB, partially offset by;
- \$795.7 million of net proceeds received from the issuance of the 2031 Debentures and the October 2029 Debentures; and
- \$15.9 million of net proceeds received on the settlement of the 2024 Cross Current Interest Rate Swap.

Debt Structure

Granite's debt structure and key debt metrics as at December 31, 2025 and December 31, 2024 were as follows:

Summary Debt Structure and Debt Metrics			
As at December 31,		2025	2024
Unsecured debt, net		\$ 3,276.6	\$ 3,078.5
Derivatives, net ⁽⁴⁾		110.8	(25.1)
Lease obligations		34.7	34.4
Total unsecured debt	[A]	\$ 3,422.1	\$ 3,087.8
Secured debt		–	–
Total debt ⁽¹⁾⁽⁴⁾	[B]	\$ 3,422.1	\$ 3,087.8
Less: cash and cash equivalents		139.6	126.2
Net debt ⁽¹⁾⁽⁴⁾	[C]	\$ 3,282.5	\$ 2,961.6
Investment properties	[D]	\$ 9,478.4	\$ 9,397.3
Unencumbered Assets ⁽⁵⁾	[E]	\$ 9,478.4	\$ 9,397.3
Trailing 12-month adjusted EBITDA ⁽¹⁾	[F]	\$ 466.7	\$ 436.3
Interest expense		\$ 96.9	\$ 89.9
Interest income		(3.1)	(7.1)
Trailing 12-month interest expense, net	[G]	\$ 93.8	\$ 82.8
Debt metrics			
Leverage ratio ⁽²⁾	[B]/[D]	36 %	33 %
Net leverage ratio ⁽²⁾	[C]/[D]	35 %	32 %
Interest coverage ratio ⁽²⁾	[F]/[G]	5.0x	5.3x
Unencumbered asset coverage ratio ⁽²⁾	[E]/[A]	2.8x	3.0x
Indebtedness ratio ⁽²⁾	[B]/[F]	7.3x	7.1x
Weighted average cost of debt ⁽³⁾		2.72 %	2.74 %
Weighted average debt term-to-maturity, in years ⁽³⁾		3.4	4.3
Ratings and outlook			
Morningstar DBRS		BBB (high) stable	BBB (high) stable

⁽¹⁾ Represents a non-GAAP measure. For definitions of Granite's non-GAAP measures, refer to the section "NON-GAAP PERFORMANCE MEASURES".

⁽²⁾ Represents a non-GAAP ratio. For definitions of Granite's non-GAAP ratios, refer to the section "NON-GAAP RATIOS".

⁽³⁾ Excludes lease obligations noted above.

⁽⁴⁾ Balance is net of the derivative assets and derivative liabilities.

⁽⁵⁾ Unencumbered assets represent the fair value of investment properties (excluding any assets held for sale) that are not encumbered by secured debt. Granite can seek to obtain secured financing against its unencumbered assets subject to certain restrictions and financial covenant limitations in its Credit Facility, term loan agreement and trust indentures.

Unsecured Debt

2026 Debentures

On February 4, 2025, the Trust's wholly-owned subsidiary, Granite REIT Holdings Limited Partnership ("Granite LP"), issued \$300.0 million aggregate principal amount of Series 10 senior unsecured debentures bearing interest at Daily Compounded CORRA plus 0.77% per annum, payable quarterly in arrears, and maturing on December 11, 2026 (the "2026 Debentures"). As at December 31, 2025, all of the 2026 Debentures remained outstanding and the balance, net of deferred financing costs, was \$299.6 million.

2031 Debentures

On October 4, 2024, Granite LP issued \$550.0 million aggregate principal amount of 4.348% Series 9 senior unsecured debentures due October 4, 2031 (the "2031 Debentures"). Interest on the 2031 Debentures is payable semi-annually in arrears on April 4 and October 4 of each year. As at December 31, 2025, all of the 2031 Debentures remained outstanding and the balance, net of deferred financing costs, was \$547.5 million.

October 2029 Debentures

On October 4, 2024, Granite LP issued \$250.0 million aggregate principal amount of 3.999% Series 8 senior unsecured debentures due October 4, 2029 (the "October 2029 Debentures"). Interest on the October 2029 Debentures is payable semi-annually in arrears on April 4 and October 4 of each year. As at December 31, 2025, all of the October 2029 Debentures remained outstanding and the balance, net of deferred financing costs, was \$249.0 million.

April 2029 Debentures

On October 12, 2023, Granite LP issued \$400.0 million aggregate principal amount of 6.074% Series 7 senior unsecured debentures due April 12, 2029 (the "April 2029 Debentures"). Interest on the April 2029 Debentures is payable semi-annually in arrears on April 12 and October 12 of each year. As at December 31, 2025, all of the April 2029 Debentures remained outstanding and the balance, net of deferred financing costs, was \$398.4 million.

September 2026 Term Loan

On September 7, 2023, Granite LP entered into and fully drew upon a €70.0 million senior unsecured non-revolving term facility that will mature on September 8, 2026 (the "September 2026 Term Loan"). The September 2026 Term Loan is fully prepayable without penalty. Any

amount repaid may not be re-borrowed. Interest on drawn amounts is calculated based on the Euro Interbank Offered Rate ("EURIBOR") plus a margin and is payable monthly in arrears.

On December 10, 2024, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty.

On October 14, 2025, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty.

As at December 31, 2025, €50.0 million has been drawn and the balance, net of deferred financing costs, was \$80.4 million.

2028 Debentures

On August 30, 2021, Granite LP issued \$500.0 million aggregate principal amount of 2.194% Series 6 senior unsecured debentures due August 30, 2028 (the "2028 Debentures"). Interest on the 2028 Debentures is payable semi-annually in arrears on February 28 and August 30 of each year. As at December 31, 2025, all of the 2028 Debentures remained outstanding and the balance, net of deferred financing costs, was \$498.9 million.

2030 Debentures

On December 18, 2020, Granite LP issued \$500.0 million aggregate principal amount of 2.378% Series 5 senior unsecured debentures due December 18, 2030 (the "2030 Debentures"). Interest on the 2030 Debentures is payable semi-annually in arrears on June 18 and December 18 of each year. As at December 31, 2025, all of the 2030 Debentures remained outstanding and the balance, net of deferred financing costs, was \$498.5 million.

2027 Debentures

On June 4, 2020, Granite LP issued \$500.0 million aggregate principal amount of 3.062% Series 4 senior unsecured debentures due June 4, 2027 (the "2027 Debentures"). Interest on the 2027 Debentures is payable semi-annually in arrears on June 4 and December 4 of each year. As at December 31, 2025, all of the 2027 Debentures remained outstanding and the balance, net of deferred financing costs, was \$499.3 million.

December 2026 Term Loan

On February 4, 2025, Granite LP repaid in full, without penalty, the outstanding \$300.0 million aggregate principal amount of the December 2026 Term Loan using the net proceeds from the issuance of the 2026 Debentures.

The 2026 Debentures, 2027 Debentures, 2028 Debentures, April 2029 Debentures, October 2029 Debentures, 2030 Debentures, 2031 Debentures, and September 2026 Term Loan rank pari passu with all of Granite LP's other existing and future senior unsecured indebtedness and are guaranteed by Granite REIT and Granite GP.

Credit Facility

On March 28, 2025, the Trust amended the Credit Facility to extend the maturity date by one year to March 31, 2030, with a limit of \$1.0 billion.

Draws on the Credit Facility are available by way of Canadian dollar, US dollar or Euro denominated loans or Canadian dollar or US dollar denominated letters of credit. The Credit Facility provides the Trust the ability to increase the amount of the commitment by an additional aggregate principal amount of up to \$450.0 million with the consent of the participating lenders. While the Credit Facility matures on March 31, 2030, the Trust has the option to extend the maturity date by one year to March 31, 2031, subject to the agreement of lenders in respect of a minimum of 66 2/3% of the aggregate amount committed under the Credit Facility. As at December 31, 2025, the Trust had \$205.0 million drawn and \$2.8 million in letters of credit issued against the Credit Facility.

Derivatives

Granite has entered into derivatives including cross currency interest rate swaps and interest rate swaps to lower its overall cost of borrowings and to hedge its currency exposure. In addition, Granite has entered into zero-cost foreign exchange collars to hedge a portion of the currency exposure of foreign-based AFFO and to provide protection against potential declining values of the US dollar and Euro.

The below table summarizes Granite's derivative arrangements outstanding as at December 31, 2025 and December 31, 2024:

As at	Notional amount to be paid		Interest payment rate	Notional amount to be received		Interest receipt rate	Maturity date	December 31, 2025		December 31, 2024	
								Fair value assets (liabilities)	Fair value assets (liabilities)		
September 2026 Interest Rate Swap ⁽¹⁾⁽²⁾⁽³⁾	-	-	4.333 %	-	-	EURIBOR plus margin	Sept. 8, 2026	\$ (857)	\$	(1,502)	
December 2026 Cross Currency Interest Rate Swap ⁽⁴⁾	205,500	EUR	1.355 %	300,000	CAD	CORRA plus margin	Dec. 11, 2026	(23,097)		9,499	
2027 Cross Currency Interest Rate Swap	370,300	USD	2.964 %	500,000	CAD	3.062 %	June 4, 2027	173		(13,255)	
2028 Cross Currency Interest Rate Swap	119,100	USD	2.096 %	150,000	CAD	2.194 %	Aug. 30, 2028	(9,391)		(11,941)	
2028 Cross Currency Interest Rate Swap	242,100	EUR	0.536 %	350,000	CAD	2.194 %	Aug. 30, 2028	(25,297)		5,270	
April 2029 Cross Currency Interest Rate Swap ⁽⁵⁾	277,700	EUR	4.958 %	400,000	CAD	6.103 %	Apr. 12, 2029	(41,242)		(5,594)	
October 2029 Cross Currency Interest Rate Swap ⁽⁶⁾	167,400	EUR	3.494 %	250,000	CAD	3.999 %	Oct. 4, 2029	(19,186)		(6)	
2030 Cross Currency Interest Rate Swap	319,400	EUR	1.045 %	500,000	CAD	2.378 %	Dec. 18, 2030	8,053		42,606	
								\$ (110,844)	\$	25,077	

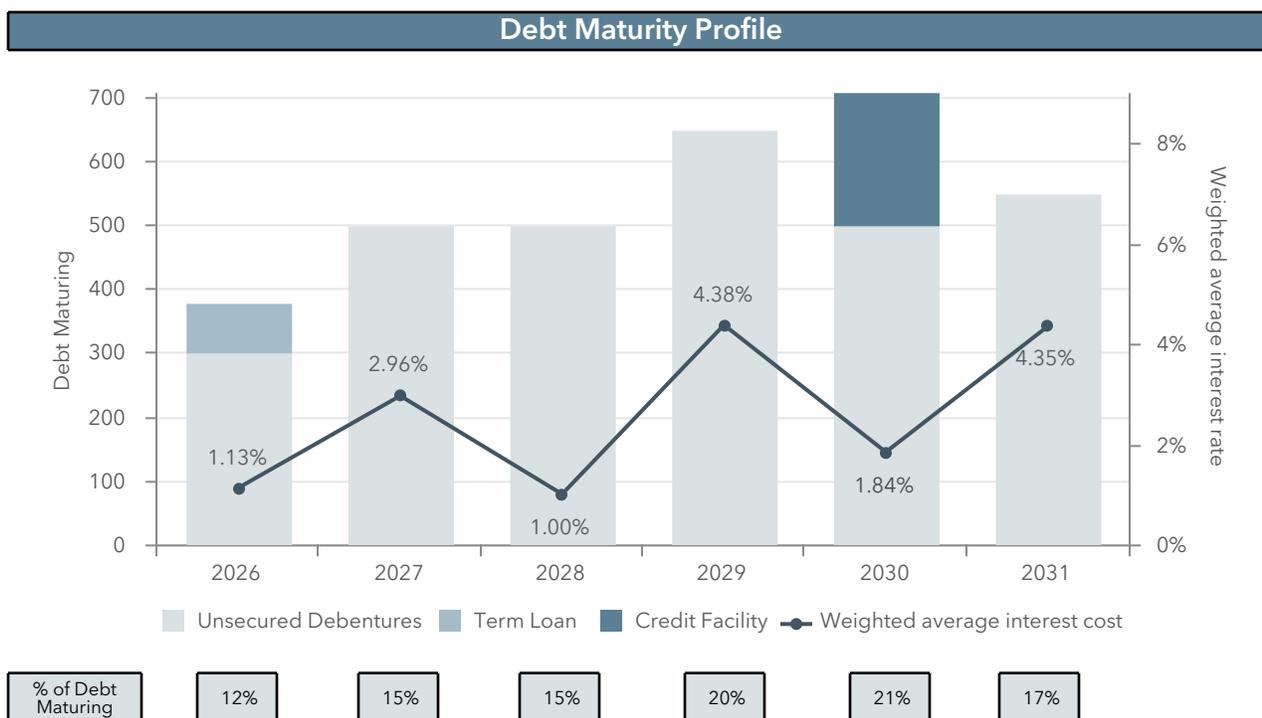
- (1) On September 8, 2023, Granite LP entered into a float to fixed interest rate swap (the "September 2026 Interest Rate Swap") to exchange the floating EURIBOR-based interest payments of the September 2026 Term Loan for fixed interest payments resulting in an all-in fixed interest rate of 4.333%.
- (2) On December 10, 2024, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty. In conjunction with the partial repayment, a €10.0 million portion of the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.2 million was settled.
- (3) On October 14, 2025, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty. In conjunction with the partial repayment, a €10.0 million portion of the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.1 million was settled.
- (4) On February 4, 2025, Granite LP issued the 2026 Debentures at a floating rate of interest of CORRA plus 0.77% and used the net proceeds from the offering to repay in full, without penalty, the December 2026 Term Loan. In combination with the 2026 Debentures, the all-in effective fixed interest rate is 0.27%.
- (5) On October 12, 2023, Granite LP entered into a cross currency interest rate swap (the "April 2029 Cross Currency Interest Rate Swap") to exchange the Canadian dollar denominated principal and interest payments of the April 2029 Debentures for Euro denominated principal and interest payments resulting in an all-in effective fixed interest rate of 4.929%.
- (6) On October 4, 2024, Granite LP entered into a cross currency interest rate swap (the "October 2029 Cross Currency Interest Rate Swap") to exchange the Canadian dollar denominated principal and interest payments of the October 2029 Debentures for Euro denominated principal and interest payments resulting in an all-in effective fixed interest rate of 3.494%.

The below table summarizes Granite's zero-cost foreign exchange collars outstanding as at December 31, 2025 and December 31, 2024:

Foreign Exchange Collars				
December 31, 2025				
EURCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (€)	Total Notional Amount (€)	Protection Rate	Participation Rate
January to December 2026	1.0	12.0	1.6000	1.6675
January to June 2026	2.0	12.0	1.5100	1.5975
July to December 2026	2.0	12.0	1.5500	1.6200
January to June 2027	2.0	12.0	1.6000	1.6770
December 31, 2024				
USDCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (US\$)	Total Notional Amount (US\$)	Protection Rate	Participation Rate
January to June 2025	7.0	42.0	1.3500	1.4300
July to December 2025	7.0	42.0	1.3600	1.4425
EURCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (€)	Total Notional Amount (€)	Protection Rate	Participation Rate
January to June 2025	2.0	12.0	1.4400	1.5583
July to December 2025	2.0	12.0	1.4700	1.5700

Debt Maturity Profile

As at December 31, 2025, Granite's debt maturity profile and future repayments are outlined below:



Debt Metrics and Financial Covenants

Granite uses the debt metrics noted above to assess its borrowing capacity and the ability to meet its current and future financing obligations. As at December 31, 2025, Granite's leverage and indebtedness ratios increased compared to December 31, 2024, primarily due to higher unsecured debt from increased draws on the Credit Facility to fund repurchases of units under the NCIB and property acquisitions. Granite's interest coverage ratio decreased slightly, reflecting the modest impact of increased debt as described above. All ratios remain relatively favourable and provide financial flexibility for future growth.

Granite's unsecured debentures, unsecured term loan, and Credit Facility agreements contain financial and non-financial covenants that include maintaining certain leverage and debt service ratios. As at December 31, 2025, Granite was in compliance with all of these covenants.

Credit Ratings

On March 26, 2025, Morningstar DBRS confirmed Granite LP's Issuer Rating and credit ratings on the 2026 Debentures, the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, the October 2029 Debentures, the 2030 Debentures, and the 2031 Debentures as BBB(high) with stable trends.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. A rating accorded to any security is not a recommendation to buy, sell or hold such securities and may be subject to revision or withdrawal at any time by the rating organization which granted such rating.

Unitholders' Equity

Outstanding Units

As at February 25, 2026, the Trust had 60,600,623 units issued and outstanding.

As at February 25, 2026, the Trust had 146,618 restricted units (representing the right to receive 146,618 units) and 158,446 performance units (representing the right to receive a maximum of 316,892 units) outstanding under the Trust's Executive Deferred Unit Plan. The Executive Deferred Unit Plan is designed to provide equity-based compensation to employees of Granite who are, by the nature of their position or job, in a position to contribute to the success of Granite.

As at February 25, 2026, the Trust had 167,807 deferred share units (representing the right to receive 167,807 units) outstanding under the Trust's Director/Trustee Deferred Share Unit Plan.

Distributions

On November 5, 2025, Granite increased its targeted annualized distribution by 4.41% to \$3.55 (\$0.2958 per month) per unit from \$3.40 (\$0.2833 per month) per unit effective upon the declaration of the distribution in respect of the month of December 2025 and was paid on January 15, 2026.

Total distributions declared to unitholders in the three month periods ended December 31, 2025 and 2024 were \$52.3 million or \$0.8624 per unit and \$52.2 million or \$0.8333 per unit, respectively. Total distributions declared to unitholders in the years ended December 31, 2025 and 2024 were \$208.3 million or \$3.41 per unit and \$208.2 million or \$3.31 per unit, respectively.

Subsequent to December 31, 2025, the distributions declared in January 2026 in the amount of \$17.9 million or \$0.2958 per unit were paid on February 13, 2026 and the distributions declared in February 2025 of \$0.2958 per unit will be paid on March 16, 2026.

Pursuant to the requirement of National Policy 41-201, *Income Trusts and Other Indirect Offerings* ("NP 41-201"), the following table outlines the differences between cash flow from operating activities and cash distributions as well as the differences between net income and cash distributions, in accordance with the guidelines under NP 41-201.

Cash Flows from Operating Activities in Excess of Distributions Paid and Payable

	Three Months Ended December 31,		Years Ended December 31,	
	2025	2024	2025	2024
Net Income	\$ 135.7	\$ 84.8	\$ 342.8	\$ 361.9
Cash flows provided by operating activities	84.4	71.2	388.1	338.6
Monthly cash distributions paid and payable	(52.3)	(52.2)	(208.3)	(208.2)
Cash flows from operating activities in excess of distributions paid and payable	\$ 32.1	\$ 19.0	\$ 179.8	\$ 130.4

Monthly distributions for the year ended December 31, 2025 and 2024 were funded with cash flows from operating activities.

Net income prepared in accordance with IFRS Accounting Standards recognizes revenue and expenses at time intervals that do not necessarily match the receipt or payment of cash. Therefore, when establishing cash distributions to unitholders, consideration is given to factors such as FFO, AFFO, cash generated from and required for operating activities and forward-looking cash flow information, including forecasts and budgets. Management does not expect current or potential future commitments to replace or maintain its investment properties to adversely affect cash distributions.

Normal Course Issuer Bid

On May 22, 2025, Granite announced the acceptance by the Toronto Stock Exchange ("TSX") of Granite's Notice of Intention to Make a Normal Course Issuer Bid. Pursuant to the NCIB, Granite proposes to purchase through the facilities of the TSX and any alternative trading system in Canada, from time to time and if considered advisable, up to an aggregate of 6,060,162 of Granite's issued and outstanding units. The NCIB commenced on May 26, 2025 and will conclude on the earlier of the date on which purchases under the bid have been completed and May 25, 2026. Pursuant to the policies of the TSX, daily purchases made by Granite through the TSX may not exceed 27,099 units, subject to certain exceptions. Granite has entered into an automatic securities purchase plan with a broker in order to facilitate repurchases of the units under the NCIB during specified blackout periods. Pursuant to a previous notice of intention to conduct a NCIB, Granite received approval from the TSX to purchase units for the period May 24, 2024 to May 23, 2025.

During the three months ended December 31, 2025, there were no unit repurchases under the NCIB. During the year ended December 31, 2025, Granite repurchased 2,157,281 units at an average unit cost of \$67.01 for total consideration of \$144.6 million, excluding commissions and taxes on net repurchases of units.

During the three months ended December 31, 2024, Granite repurchased 23,000 units at an average unit cost of \$69.08 for total consideration of \$1.6 million, excluding commissions and taxes on net repurchases of units. During the year ended December 31, 2024, Granite repurchased 667,300 units at an average unit cost of \$68.64 for total consideration of \$45.8 million, excluding commissions and taxes on net repurchases of units.

COMMITMENTS, CONTRACTUAL OBLIGATIONS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

The Trust is subject to various legal proceedings and claims that arise in the ordinary course of business. Management evaluates all claims with the advice of legal counsel. Management believes these claims are generally covered by Granite's insurance policies and that any liability from remaining claims is not probable to occur and would not have a material adverse effect on the financial position, results of operations or liquidity of the Trust. However, actual outcomes may differ from management's expectations.

Off-balance sheet arrangements consist of outstanding letters of credit to support certain contractual obligations, property purchase commitments, construction and development project commitments and certain operating agreements. As at December 31, 2025, the Trust had \$2.8 million in letters of credit outstanding. As at December 31, 2025, the Trust's contractual commitments totaled \$51.4 million which comprised of costs to complete its ongoing construction and development projects. Granite expects to fund these commitments over the next year through the use of cash on hand, cash from operations and/or Granite's Credit Facility.

For further discussion of commitments, contractual obligations, contingencies and off-balance sheet arrangements, refer to notes 7, 9 and 19 to the audited consolidated combined financial statements for the year ended December 31, 2025.

RELATED PARTY TRANSACTIONS

For a discussion of the Trust's transactions with related parties, refer to note 18 of the audited consolidated combined financial statements for the year ended December 31, 2025.

NON-GAAP PERFORMANCE MEASURES

The following non-GAAP performance measures are important measures used by management in evaluating the Trust's underlying operating performance and debt management. These non-GAAP performance measures are not defined by IFRS Accounting Standards and do not have standard meanings. The Trust's method of calculating non-GAAP performance measures may differ from other issuers' methods and, accordingly, the Trust's non-GAAP performance measures may not be comparable with similar measures presented by other issuers.

Funds from operations

FFO is a non-GAAP 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 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, foreign exchange gains (losses) on certain monetary items not forming part of a net investment in a foreign operation, fair value remeasurement on deferred units, 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 Property Association of Canada ("REALPAC") guidelines on Funds From Operations & Adjusted Funds From Operations for IFRS Accounting Standards 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 unitholders. FFO is reconciled to net income, which is the most directly comparable GAAP 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 Accounting Standards.

Adjusted funds from operations

AFFO is a non-GAAP 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 capital costs associated with sustaining such earnings. Granite calculates AFFO as net income attributable to 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 unitholders after considering capital costs associated with sustaining operating earnings. AFFO is also reconciled to net income, which is the most directly comparable GAAP 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 Accounting Standards.

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 (see "RESULTS OF OPERATIONS - Net Operating Income" for the reconciliation of NOI - cash basis to NOI for the periods presented). NOI - cash basis is a commonly used measure by the real estate industry and Granite believes it is a useful supplementary measure of the cash income generated by and operating performance of income-producing properties in addition to the most comparable GAAP 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 (see "RESULTS OF OPERATIONS - Net Operating Income" for a reconciliation of same property NOI - cash basis to NOI - cash basis and to NOI for the periods presented). 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 performance measure used by management in evaluating the performance of same stock 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 (see "RESULTS OF OPERATIONS - Net Operating Income" for a reconciliation of constant currency same property NOI - cash basis to same property NOI - cash basis for the periods presented).

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

Adjusted EBITDA is calculated as net income attributable to 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, fair value remeasurement on deferred units, other expense relating to real estate transfer tax and loss on the sale of investment properties, foreign exchange gains (losses) on certain monetary items not forming part of a net investment in a foreign operation, corporate restructuring costs and certain other items, 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.

Adjusted EBITDA Reconciliation		
For the 12-months ended December 31,	2025	2024
Net income attributable to unitholders	\$ 342.3	\$ 360.6
Add (deduct):		
Interest expense and other financing costs	96.9	89.9
Interest income	(3.1)	(7.1)
Income tax expense	18.5	30.9
Depreciation and amortization	1.2	1.3
Lease termination and close-out fees	(0.8)	(0.5)
Fair value losses (gains) on investment properties, net	5.6	(53.0)
Fair value (gains) on financial instruments, net	(1.1)	(5.2)
Fair value remeasurement on deferred units ⁽¹⁾	5.4	(1.1)
Foreign exchange losses on certain monetary items	-	16.7
Corporate restructuring costs	-	3.5
Loss on sale of investment properties	2.0	-
Non-controlling interests relating to the above	(0.2)	0.3
Adjusted EBITDA	\$ 466.7	\$ 436.3

⁽¹⁾ Effective December 31, 2025, Granite amended its definition of Adjusted EBITDA to add back fair value remeasurement on deferred units to be consistent with the definition of FFO.

Available Liquidity

Available liquidity is a non-GAAP 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 cash resources available as at period-end to meet its ongoing obligations and future commitments (see "LIQUIDITY AND CAPITAL RESOURCES - Liquidity").

Total Debt and Net Debt

Total debt is a non-GAAP 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. 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 (see "LIQUIDITY AND CAPITAL RESOURCES - Debt Structure").

NON-GAAP RATIOS

The following non-GAAP ratios are important measures used by management in evaluating the Trust's underlying operating performance and debt management. These non-GAAP ratios are not defined by IFRS Accounting Standards and do not have standard meanings. The Trust's method of calculating non-GAAP ratios may differ from other issuers' methods and, accordingly, the Trust's non-GAAP ratios may not be comparable with similar measures presented by other issuers.

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-GAAP 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 investors in evaluating the sustainability of the Trust's monthly distributions to unitholders.

FFO and AFFO Payout Ratios

		Three Months Ended December 31,		Years Ended December 31,	
		2025	2024	2025	2024
<i>(in millions, except as noted)</i>					
Monthly distributions declared to unitholders	[A]	\$52.3	\$52.2	\$208.3	\$208.2
FFO	[B]	96.6	92.7	363.0	343.9
AFFO	[C]	79.3	78.8	319.8	307.1
FFO payout ratio	[A]/[B]	54%	56%	57%	61%
AFFO payout ratio	[A]/[C]	66%	66%	65%	68%

Interest coverage ratio

The interest coverage ratio is calculated on a 12-month trailing basis using Adjusted EBITDA (a non-GAAP 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 obligations (see "*LIQUIDITY AND CAPITAL RESOURCES - Debt Structure*").

Indebtedness ratio

The indebtedness ratio is calculated as total debt (a non-GAAP performance measure) divided by Adjusted EBITDA (a non-GAAP performance measure) and Granite believes it is useful in evaluating the Trust's ability to repay outstanding debt using its operating cash flows (see "*LIQUIDITY AND CAPITAL RESOURCES - Debt Structure*").

Leverage and net leverage ratios

The leverage ratio is calculated as total debt (a non-GAAP 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 (see "*LIQUIDITY AND CAPITAL RESOURCES - Debt Structure*").

Unencumbered asset coverage ratio

The unencumbered asset coverage ratio is calculated as the fair 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 (see "*LIQUIDITY AND CAPITAL RESOURCES - Debt Structure*").

SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to apply judgment and make estimates that affect the amounts reported and disclosed in the audited consolidated combined financial statements. Management bases estimates on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the values of assets and liabilities. On an ongoing basis, management evaluates its estimates. However, actual results could be materially different from those estimates and require an adjustment to the recognized amounts in the period of change.

The Trust's material accounting policies that involve the most judgment and estimates are as follows:

Judgments

Leases

The Trust's policy for revenue recognition is described in note 2(j) of the audited consolidated combined financial statements for the year ended December 31, 2025. The Trust makes judgments in determining whether certain leases are operating or finance leases, in particular tenant leases with long contractual terms or leases where the property is a large square-footage and/or architecturally specialized. The Trust also makes judgments in determining the lease term for some lease contracts in which it is a lessee that include renewal or termination options. The assessment of whether the Trust is reasonably certain to exercise such options impacts the lease term which, in turn, significantly affects the amount of lease obligations and right-of-use assets recognized.

Investment properties

The Trust's policy relating to investment properties is described in note 2(d) of the audited consolidated combined financial statements for the year ended December 31, 2025. In applying this policy, judgment is used in determining whether certain costs incurred for tenant improvements are additions to the carrying amount of the property or represent incentives, identifying the point at which practical completion of properties under development occurs and determining borrowing costs to be capitalized to the carrying value of properties under development. Judgment is also applied in determining the use, extent and frequency of independent appraisals.

Income taxes

The Trust applies judgment in determining whether it will continue to qualify as a REIT for both Canadian and United States tax purposes for the foreseeable future. However, should it at some point no longer qualify, it would be subject to income tax and would be required to recognize current and deferred income taxes.

Estimates and Assumptions

Valuation of investment properties

The fair value of investment properties was determined by management using primarily the discounted cash flow method in which the income and expenses are projected over the anticipated term of the investment plus a reversionary value discounted back to present value using an appropriate discount rate. The Trust obtains, from time to time, appraisals from independent qualified real estate valuation experts. Granite does not value its investment properties based on these appraisals but uses them as data points, alongside other external market information for management to arrive at its own conclusions on values. Granite receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of Granite's portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. The critical assumptions relating to the Trust's estimates of fair values of investment properties include the contractual rents, contractual renewal terms, expected future market rental rates, discount rates that reflect current market uncertainties, capitalization rates and recent investment property prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may change materially. There has been no change in the valuation methodology used during the year ended December 31, 2025. Refer to the "INVESTMENT PROPERTIES" section and note 4 of the audited consolidated combined financial statements for the year ended December 31, 2025 for further information on the estimates and assumptions made by management in connection with the fair values of investment properties.

Fair value of financial instruments

Where the fair value of financial assets or liabilities recorded on the audited consolidated combined balance sheet or disclosed in the notes cannot be derived from active markets, it is determined using valuation techniques including the discounted cash flow method. The inputs to these models are taken from observable markets where possible but, where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could materially affect the reported fair value of financial instruments.

Income taxes

The Trust operates in a number of countries and is subject to the income tax laws and related tax treaties in each of its operating jurisdictions. These laws and treaties can be subject to different interpretations by relevant taxation authorities. Significant judgment is required in the estimation of Granite's income tax expense, interpretation and application of the relevant tax laws and treaties and the provision for any exposure that may arise from tax positions that are under audit by relevant taxation authorities.

The recognition and measurement of deferred tax assets or liabilities is dependent on management's estimate of future taxable profits and income tax rates that are expected to be in effect in the period the asset is realized or the liability is settled. Any changes in management's estimates can result in changes in deferred tax assets or liabilities as reported in the audited consolidated combined balance sheets and also the deferred income tax expense in the audited consolidated combined statements of net income.

NEW ACCOUNTING PRONOUNCEMENTS AND DEVELOPMENTS

Future Changes in Accounting Standards

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, *Presentation of Financial Statements*, impacts the presentation of primary financial statements and notes, including the statement of profit or loss where entities will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard also requires aggregation and disaggregation of information, and disclosure of management-defined performance measures in the notes to the financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted.

The Trust is currently assessing the impact of IFRS 18 on its consolidated financial statements and intends to adopt the standard for the annual reporting period beginning on January 1, 2027.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

The President and Chief Executive Officer and the Chief Financial Officer of Granite have evaluated the effectiveness of the Trust's disclosure controls and procedures as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") as of December 31, 2025 (the "Evaluation Date"). They have concluded that, as of the Evaluation Date, the Trust's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Trust in the reports that they file or submit is (i) recorded, processed, summarized and reported within the time periods specified in the applicable rules and (ii) accumulated and communicated to the Trust's management, including their principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Trust's management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in NI 52-109) for the Trust.

The Trust's internal control over financial reporting is a process designed by, or under the supervision of, the Trust's principal executive and principal financial officers, or persons performing similar functions, and effected by the Trust's Board of Trustees, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated combined financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Trust's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated combined financial statements in accordance with generally accepted accounting principles, and that the Trust's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Trust's assets that could have a material effect on the consolidated combined financial statements.

Under the supervision and with the participation of the Trust's President and Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of the Trust's internal control over financial reporting, as of the Evaluation Date, based on the framework set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under this framework, management concluded that the Trust's internal control over financial reporting was effective as of December 31, 2025.

Changes in Internal Control Over Financial Reporting

As of the Evaluation Date, there were no changes in the Trust's internal control over financial reporting that occurred during the period beginning on the date immediately following the end of the period in respect of which Granite made its most recent previous interim filing and ended on December 31, 2025 that have materially affected, or that are reasonably likely to materially affect, the Trust's internal control over financial reporting.

Limitation on the Effectiveness of Controls and Procedures

Granite's management, including the President and Chief Executive Officer and the Chief Financial Officer, does not expect that the Trust's controls and procedures will prevent all potential error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

RISKS AND UNCERTAINTIES

Investing in the Trust's units involves a high degree of risk. There are a number of risk factors that could have a material adverse effect on Granite's business, financial condition, operating results and prospects. These risks and uncertainties are discussed in Granite's AIF filed with securities regulators in Canada and available online at www.sedarplus.ca in respect of the year ended December 31, 2025.

QUARTERLY FINANCIAL DATA (UNAUDITED)

<i>(in millions, except as noted)</i>	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24
Operating highlights⁽³⁾								
Revenue	\$ 161.8	\$ 153.0	\$ 149.3	\$ 154.7	\$ 148.0	\$ 141.9	\$ 140.3	\$ 138.9
NOI - cash basis ⁽¹⁾	130.9	124.7	121.1	123.0	118.6	116.2	113.7	111.4
Constant currency same property NOI - cash basis ⁽⁵⁾	7.9%	5.2%	4.6%	4.7%	6.3%	6.2%	6.0%	4.9%
Fair value gains (losses) on investment properties, net	60.5	(34.6)	16.8	(48.2)	(1.5)	42.6	(0.8)	12.7
Net income attributable to unitholders	135.4	68.0	95.0	43.9	83.7	111.6	76.2	89.1
Cash provided by operating activities	84.4	122.0	72.8	108.9	71.2	106.7	76.7	84.0
FFO ⁽¹⁾	96.6	89.9	85.4	91.0	92.7	85.2	83.5	82.4
AFFO ⁽¹⁾	79.3	77.0	75.1	88.4	78.8	76.6	73.8	77.9
FFO payout ratio ⁽²⁾	54%	57%	61%	58%	56%	61%	62%	63%
AFFO payout ratio ⁽²⁾	66%	67%	69%	60%	66%	68%	70%	67%
Per unit amounts								
Diluted FFO ⁽¹⁾	\$ 1.59	\$ 1.48	\$ 1.39	\$ 1.46	\$ 1.47	\$ 1.35	\$ 1.32	\$ 1.30
Diluted AFFO ⁽¹⁾	\$ 1.30	\$ 1.26	\$ 1.23	\$ 1.41	\$ 1.25	\$ 1.22	\$ 1.17	\$ 1.22
Monthly distributions paid	\$ 0.86	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.83	\$ 0.83	\$ 0.83	\$ 0.83
Diluted weighted average number of units	60.9	60.9	61.3	62.5	63.0	63.0	63.2	63.6
Financial highlights								
Investment properties ⁽⁴⁾	\$ 9,478.4	\$ 9,102.5	\$ 9,022.8	\$ 9,441.2	\$ 9,397.3	\$ 9,094.5	\$ 9,035.6	\$ 8,952.4
Assets held for sale	81.0	370.7	310.5	–	–	–	–	–
Cash and cash equivalents	139.6	127.9	86.4	123.1	126.2	133.5	101.3	139.9
Total debt ⁽¹⁾	3,422.1	3,335.5	3,302.5	3,162.1	3,087.8	3,080.5	3,036.1	3,034.5
Total capital expenditures incurred	13.0	9.1	6.6	0.4	5.1	10.0	15.4	7.8
Total leasing costs and tenant improvements incurred	7.7	4.4	4.2	1.0	8.6	1.6	5.6	1.1
Property metrics⁽⁴⁾								
Number of income-producing properties	141	134	135	138	138	138	138	138
GLA, square feet	62.6	60.9	60.6	63.3	63.3	63.3	63.3	63.3
Occupancy, by GLA	98.0%	96.8%	95.8%	94.8%	94.9%	94.3%	94.5%	95.0%
Weighted average lease term, years	5.5	5.5	5.5	5.6	5.7	5.9	5.9	6.1

(1) For definitions of Granite's non-GAAP performance measures, refer to the section "NON-GAAP PERFORMANCE MEASURES".

(2) For definitions of Granite's non-GAAP ratios, refer to the section "NON-GAAP RATIOS".

(3) The quarterly financial data reflects fluctuations in revenue, FFO, AFFO, investment properties and total debt primarily from the timing of leasing and development activities, property sales, acquisitions and foreign exchange. Investment properties also fluctuate from the effect of measuring properties at fair value under IFRS Accounting Standards. Net income attributable to unitholders primarily fluctuates from fair value gains (losses) on investment properties.

(4) Excludes properties held for sale which are classified as assets held for sale on the consolidated combined balance sheet as at the respective quarter-end.

(5) Constant currency same property NOI - cash basis is calculated by converting the comparative same property NOI - cash basis at current period average foreign exchange rates. Constant currency 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. The amount shown is the percentage increase of the current year period over the prior year period.

The following table reconciles revenue, as determined in accordance with IFRS Accounting Standards, to net operating income - cash basis for the periods ended as indicated. Refer to the sections "RESULTS OF OPERATIONS" and "NON-GAAP PERFORMANCE MEASURES", for further details.

<i>(in millions)</i>	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24
Revenue	\$ 161.8	\$ 153.0	\$ 149.3	\$ 154.7	\$ 148.0	\$ 141.9	\$ 140.3	\$ 138.9
Less: Property operating costs	28.5	25.9	25.9	29.0	26.8	22.3	23.5	24.4
NOI	133.3	127.1	123.4	125.7	121.2	119.6	116.8	114.5
Add (deduct):								
Lease termination and close-out fees	-	-	-	(0.8)	-	-	(0.5)	-
Straight-line rent amortization	(2.4)	(2.4)	(2.3)	(1.9)	(2.6)	(3.4)	(2.6)	(3.2)
Tenant incentive amortization	-	-	-	-	-	-	-	0.1
NOI - cash basis	\$ 130.9	\$ 124.7	\$ 121.1	\$ 123.0	\$ 118.6	\$ 116.2	\$ 113.7	\$ 111.4

The following table reconciles net income attributable to unitholders, as determined in accordance with IFRS Accounting Standards, to FFO and AFFO for the periods ended as indicated. Refer to the sections "RESULTS OF OPERATIONS" and "NON-GAAP PERFORMANCE MEASURES", for further details.

<i>(in millions)</i>	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24
Net income attributable to unitholders	\$ 135.4	\$ 68.0	\$ 95.0	\$ 43.9	\$ 83.7	\$ 111.6	\$ 76.2	\$ 89.1
Add (deduct):								
Fair value (gains) losses on investment properties, net	(60.5)	34.6	(16.8)	48.2	1.5	(42.6)	0.8	(12.7)
Fair value (gains) losses on financial instruments	(1.1)	0.9	(0.7)	(0.1)	(12.6)	2.9	2.5	2.0
Foreign exchange losses on certain monetary items ⁽¹⁾	-	-	-	-	16.7	-	-	-
Loss on sale of investment properties	2.0	-	-	-	-	-	-	-
Deferred income tax (recovery) expense	18.3	(17.5)	8.0	(0.3)	3.7	9.3	5.4	3.8
Fair value remeasurement of the Executive Deferred Unit Plan	1.7	2.8	(0.4)	(0.3)	(0.7)	1.4	(1.2)	0.2
Fair value remeasurement of the Directors Deferred Unit Plan	0.7	1.1	0.2	(0.3)	(1.5)	1.8	(1.2)	-
Corporate restructuring costs ⁽²⁾	-	-	-	-	1.7	0.7	0.9	0.2
Non-controlling interests relating to the above	0.1	-	0.1	(0.1)	0.2	0.1	0.1	(0.2)
FFO	\$ 96.6	\$ 89.9	\$ 85.4	\$ 91.0	\$ 92.7	\$ 85.2	\$ 83.5	\$ 82.4
Add (deduct):								
Maintenance or improvement capital expenditures incurred	(11.9)	(8.9)	(3.8)	(0.4)	(4.3)	(3.7)	(5.8)	(0.6)
Leasing costs	(1.5)	(1.6)	(4.1)	(0.3)	(5.4)	(1.5)	(0.3)	(0.2)
Tenant allowances	(1.5)	-	(0.1)	-	(1.6)	-	(1.0)	(0.6)
Tenant incentive amortization	-	-	-	-	-	-	-	0.1
Straight-line rent amortization	(2.4)	(2.4)	(2.3)	(1.9)	(2.6)	(3.4)	(2.6)	(3.2)
Non-controlling interests relating to the above	-	-	-	-	-	-	-	-
AFFO	\$ 79.3	\$ 77.0	\$ 75.1	\$ 88.4	\$ 78.8	\$ 76.6	\$ 73.8	\$ 77.9

⁽¹⁾ Effective October 1, 2024, and in accordance with REALPAC Guidelines, Granite amended its definition of Funds From Operations (FFO) to exclude foreign exchange (gains) losses on certain monetary items not forming part of a net investment in a foreign operation that represent capital transactions impacting profit and loss (refer to "NON-GAAP PERFORMANCE MEASURES"). For the three months ended December 31, 2024, the losses relate to the de-designation of the 2024 Term Loan and the related forward contract hedging its maturity.

⁽²⁾ Effective January 1, 2024, Granite amended its definition of Funds From Operations (FFO) to exclude corporate restructuring costs associated with the uncoupling of the Trust's stapled unit structure (refer to "NON-GAAP

PERFORMANCE MEASURES"). Granite views these restructuring costs as non-recurring, as they are solely related to this specific transaction and do not reflect normal operating activities.

The following table reconciles total debt for the periods ended as indicated. Refer to the sections "Unitholders' Equity" and "NON-GAAP PERFORMANCE MEASURES", for further details.

<i>(in millions)</i>	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24
Unsecured debt, net	\$ 3,276.6	\$ 3,166.5	\$ 3,176.9	\$ 3,092.1	\$ 3,078.5	\$ 3,088.9	\$ 3,095.6	\$ 3,085.8
Derivatives, net	110.8	134.2	90.8	35.3	(25.1)	(43.1)	(94.1)	(86.1)
Lease obligations	34.7	34.8	34.8	34.7	34.4	34.7	34.6	34.8
Total unsecured debt	3,422.1	3,335.5	3,302.5	3,162.1	3,087.8	3,080.5	3,036.1	3,034.5
Secured debt	—	—	—	—	—	—	—	—
Total debt	\$ 3,422.1	\$ 3,335.5	\$ 3,302.5	\$ 3,162.1	\$ 3,087.8	\$ 3,080.5	\$ 3,036.1	\$ 3,034.5

FORWARD-LOOKING INFORMATION

This MD&A may contain statements that, to the extent they are not recitations of historical fact, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. 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”, “strategy”, “project”, “estimate”, “seek” and similar expressions are used to identify forward-looking information. 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: 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, diversification and quality of Granite’s real estate portfolio, including acquisitions of properties in new markets and the reduction in Granite’s exposure to Magna and the special purpose properties; Granite’s ability to dispose of assets held for sale and the timing of such dispositions; 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 in 2026; Granite’s 2026 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 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 base shelf prospectuses; obtaining site planning approval of a 0.7 million square foot distribution facility on the 34.0 acre site in Brantford, Ontario; obtaining site plan approval for the future phases of its development for up to 0.7 million square feet on the 68.7 acre site in Houston, Texas and up to 0.4 million square feet on the 30.8 acre site in Houston, Texas and the expected timing and potential yield from each 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; the anticipated redevelopment and expected yield of the distribution facility in Northampton, United Kingdom; the expected timing of filing the Prospectus Supplement for and the Trust’s sale from time to time of units under an ATM Program; 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 amount of any distributions and distribution increase, including any expected increases can be achieved in a timely manner, with the expected impact or at all; the adoption of any accounting standards and the timing thereof; and the effect of any legal proceedings on

Granite. Forward-looking information is 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 information is 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 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's mutual fund trust status under the *Income Tax Act* (Canada) or the effective tax rate in other jurisdictions in which Granite operates; the risk related to tariffs, global trade and supply chains that may adversely impact Granite's tenants' operations and in turn 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 under "Risks and Uncertainties" herein and in the "Risk Factors" section in Granite's AIF for 2025 dated February 25, 2026, filed on SEDAR+ at www.sedarplus.ca, 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 information. Forward-looking information speaks 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 information contained in this MD&A to reflect subsequent information, events or circumstances or otherwise.



Audited Consolidated Combined Financial Statements
of Granite Real Estate Investment Trust

For the years ended December 31, 2025 and 2024

INDEPENDENT AUDITOR'S REPORT

To the Unitholders and the Board of Trustees of Granite Real Estate Investment Trust

Opinion

We have audited the consolidated combined financial statements of Granite Real Estate Investment Trust (the "Trust"), which comprise the consolidated combined balance sheets as at December 31, 2025 and 2024, and the consolidated combined statements of net income, comprehensive income, unitholders' equity, and cash flows, for the years then ended, and notes to the consolidated combined financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated combined financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated combined financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Fair Value of Investment Properties - Refer to Notes 2(d), 2(m) Estimates and Assumptions (i) and 4 of the Financial Statements

Key Audit Matter Description

The Trust has elected the fair value model for all investment properties and, accordingly, measures all investment properties at fair value subsequent to initial recognition on the balance sheet. The Trust primarily uses a discounted cash flow model to estimate the fair value of investment properties. The critical assumptions relating to the Trust's estimates of fair values of investment properties include expected future market rental rates, discount rates that reflect current market uncertainties, capitalization rates and recent investment property prices.

While there are several assumptions that are required to determine the fair value of all investment properties, the critical assumptions with the highest degree of subjectivity and impact on fair values are the expected future market rental rates, discount rates and capitalization rates, otherwise referred to herein as terminal capitalization rates. Auditing these critical assumptions required a high degree of auditor judgment as the estimations made by management contain significant measurement uncertainty. This resulted in an increased extent of audit effort, including the need to involve our fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the expected future market rental rates, discount rates and terminal capitalization rates used to determine the fair value of the investment properties included the following, among others:

- Evaluated the effectiveness of controls over determining investment properties' fair value, including those over the determination of the expected future market rental rates, the discount rates and terminal capitalization rates.
- Evaluated the reasonableness of management's forecast of expected future market rental rates by comparing management's forecasts with historical results, internal communications to management and the Board of Trustees and contractual information, where applicable.
- With the assistance of our fair value specialists, evaluated the reasonableness of management's forecast of expected future market rental rates, discount rates and terminal capitalization rates by considering recent market transactions and industry surveys.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Trust as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated combined financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tim Wilson.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
February 25, 2026

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of Granite Real Estate Investment Trust (the "Trust") is responsible for the preparation and presentation of the consolidated combined financial statements and all information included in the 2025 Annual Report. The consolidated combined financial statements were prepared by management in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board and where appropriate, reflect estimates based on management's best judgment in the circumstances. Financial information as presented elsewhere in the 2025 Annual Report has been prepared by management to ensure consistency with information contained in the consolidated combined financial statements. The consolidated combined financial statements have been audited by independent auditors and reviewed by the Audit Committee and approved by the Board of Trustees of Granite Real Estate Investment Trust.

Management is responsible for the development and maintenance of systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is accurate, relevant and reliable and that the Trust's assets are appropriately accounted for and adequately safeguarded. As required by National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", the Trust's President and Chief Executive Officer and Chief Financial Officer have determined that, as at December 31, 2025 and based on the framework set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, internal control over financial reporting was effective.

The Trust's Audit Committee is appointed by the Board and is comprised solely of outside independent Trustees. The Audit Committee meets periodically with management, as well as with the independent auditors, to satisfy themselves that each is properly discharging its responsibilities to review the consolidated combined financial statements and the independent auditors' report and to discuss significant financial reporting issues and auditing matters. The Audit Committee reports their findings to the Board for consideration when approving the consolidated combined financial statements for issuance to the unitholders.

The consolidated combined financial statements have been audited by Deloitte LLP, the independent auditors, in accordance with Canadian generally accepted auditing standards on behalf of the unitholders. The Auditors' Report outlines the nature of their examination and their opinion on the consolidated combined financial statements of the Trust. The independent auditors have full and unrestricted access to the Audit Committee.



Kevan Gorrie
President and Chief Executive Officer



Teresa Neto
Chief Financial Officer

Toronto, Canada
February 25, 2026

Consolidated Combined Balance Sheets

(Canadian dollars in thousands)

As at December 31,	Note	2025	2024
ASSETS			
Non-current assets:			
Investment properties	4 \$	9,478,449 \$	9,397,286
Deferred tax assets	13(c)	650	668
Fixed assets, net		3,384	3,914
Derivatives	7(c)	8,226	57,375
Other assets	6	2,360	2,499
		9,493,069	9,461,742
Current assets:			
Assets held for sale	5	81,026	–
Accounts receivable		8,775	18,347
Income taxes receivable		392	534
Prepaid expenses and other		11,351	12,947
Cash and cash equivalents	15(d)	139,591	126,175
Total assets		\$ 9,734,204 \$	9,619,745
LIABILITIES AND EQUITY			
Non-current liabilities:			
Unsecured debt, net	7(a),7(b) \$	2,896,648 \$	3,078,453
Derivatives	7(c)	95,116	32,298
Long-term portion of lease obligations	8	33,644	33,442
Deferred tax liabilities	13(c)	601,192	591,896
		3,626,600	3,736,089
Current liabilities:			
Unsecured debt, net	7(b)	379,960	–
Derivatives	7(c)	23,954	–
Deferred revenue	9	26,025	18,685
Accounts payable and accrued liabilities	9	130,612	99,074
Distributions payable	10	17,918	17,762
Short-term portion of lease obligations	8	1,079	945
Income taxes payable		9,904	10,561
Total liabilities		4,216,052	3,883,116
Equity:			
Unitholders' equity	11	5,509,006	5,728,236
Non-controlling interests		9,146	8,393
Total equity		5,518,152	5,736,629
Total liabilities and equity		\$ 9,734,204 \$	9,619,745

Commitments and contingencies (note 19)
See accompanying notes

On behalf of the Board:

/s/ Kelly Marshall
Trustee

/s/ Emily Pang
Trustee

Consolidated Combined Statements of Net Income

(Canadian dollars in thousands)

Years ended December 31,	Note	2025	2024
Rental revenue	12(a)	\$ 617,891	\$ 568,643
Lease termination and close-out fees		811	496
Revenue		618,702	569,139
Property operating costs	12(b)	109,241	97,153
Net operating income		509,461	471,986
General and administrative expenses	12(c)	45,846	38,909
Depreciation and amortization		1,194	1,289
Interest income		(3,131)	(7,073)
Interest expense and other financing costs	12(d)	96,894	89,898
Foreign exchange losses, net		841	14,410
Fair value losses (gains) on investment properties, net	4	5,638	(53,037)
Fair value gains on financial instruments, net	12(e)	(1,103)	(5,166)
Loss on sale of investment properties	5	1,980	–
Income before income taxes		361,302	392,756
Income tax expense	13	18,495	30,874
Net income		\$ 342,807	\$ 361,882
Net income attributable to:			
Unitholders		\$ 342,340	\$ 360,609
Non-controlling interests		467	1,273
		\$ 342,807	\$ 361,882

See accompanying notes

Consolidated Combined Statements of Comprehensive Income

(Canadian dollars in thousands)

Years ended December 31,	Note	2025	2024
Net income		\$ 342,807	\$ 361,882
Other comprehensive (loss) income:			
Foreign currency translation adjustment ⁽¹⁾		(65,975)	432,233
Unrealized loss on net investment hedges, including income taxes of nil ⁽¹⁾	7(c)	(142,567)	(88,703)
Total other comprehensive (loss) income		(208,542)	343,530
Comprehensive income		\$ 134,265	\$ 705,412
⁽¹⁾ Items that may be reclassified subsequently to net income if a foreign subsidiary is disposed of or hedges are terminated or no longer assessed as effective (note 2(h)).			
Comprehensive income attributable to:			
Unitholders		\$ 134,176	\$ 703,521
Non-controlling interests		89	1,891
		\$ 134,265	\$ 705,412

See accompanying notes

Consolidated Combined Statements of Unitholders' Equity

(Canadian dollars in thousands)

Year Ended December 31, 2025									
	Number of units (000s)	Value of units	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Unitholders' equity	Non-controlling interests	Equity	
As at January 1, 2025	62,725	\$ 3,291,745	\$ –	\$ 1,787,159	\$ 649,332	\$ 5,728,236	\$ 8,393	\$ 5,736,629	
Net income	–	–	–	342,340	–	342,340	467	342,807	
Other comprehensive loss	–	–	–	–	(208,164)	(208,164)	(378)	(208,542)	
Distributions (note 10)	–	–	–	(208,294)	–	(208,294)	(275)	(208,569)	
Contributions from non-controlling interests	–	–	–	–	–	–	939	939	
Units issued under the unit plan (note 11(b))	34	2,381	–	–	–	2,381	–	2,381	
Units repurchased for cancellation (note 11(c))	(2,158)	(147,493)	–	–	–	(147,493)	–	(147,493)	
As at December 31, 2025	60,601	\$ 3,146,633	\$ –	\$ 1,921,205	\$ 441,168	\$ 5,509,006	\$ 9,146	\$ 5,518,152	
Year Ended December 31, 2024									
	Number of units (000s)	Value of units	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Unitholders' equity	Non-controlling interests	Equity	
As at January 1, 2024	63,356	\$ 3,330,533	\$ 5,250	\$ 1,634,748	\$ 306,420	\$ 5,276,951	\$ 6,690	\$ 5,283,641	
Net income	–	–	–	360,609	–	360,609	1,273	361,882	
Other comprehensive income	–	–	–	–	342,912	342,912	618	343,530	
Distributions (note 10)	–	–	–	(208,198)	–	(208,198)	(213)	(208,411)	
Contributions from non-controlling interests	–	–	–	–	–	–	25	25	
Units issued under the unit plan (note 11(b))	36	2,675	–	–	–	2,675	–	2,675	
Units repurchased for cancellation (note 11(c))	(667)	(41,463)	(5,250)	–	–	(46,713)	–	(46,713)	
As at December 31, 2024	62,725	\$ 3,291,745	\$ –	\$ 1,787,159	\$ 649,332	\$ 5,728,236	\$ 8,393	\$ 5,736,629	

See accompanying notes

Consolidated Combined Statements of Cash Flows

(Canadian dollars in thousands)

Years ended December 31,	Note	2025	2024
OPERATING ACTIVITIES			
Net income		\$ 342,807	\$ 361,882
Items not involving operating cash flows	15(a)	24,355	(22,868)
Current income tax expense	13(a)	9,906	8,696
Income taxes paid		(11,216)	(8,315)
Interest expense		93,373	86,433
Interest paid		(93,263)	(79,480)
Changes in working capital balances	15(b)	22,122	(7,739)
Cash provided by operating activities		388,084	338,609
INVESTING ACTIVITIES			
Investment properties:			
Acquisitions and transactions costs, net		(344,245)	(829)
Proceeds from disposal, net	5	187,523	–
Leasing costs paid		(17,293)	(7,040)
Tenant allowances paid		(838)	(6,467)
Additions to income-producing properties		(23,297)	(47,742)
Additions to development properties		(5,314)	(3,332)
Construction funds released from escrow		–	75
Fixed asset additions, net		(117)	(125)
Cash used in investing activities		(203,581)	(65,460)
FINANCING ACTIVITIES			
Monthly distributions paid		(208,137)	(207,851)
Proceeds from unsecured debentures, net of financing costs	7(b)	299,257	795,712
Repayments of unsecured term loans	7(b)	(316,297)	(823,798)
Settlements of derivatives	7(c)	(208)	15,906
Proceeds from unsecured credit facility draws		517,000	–
Repayments of unsecured credit facility draws		(312,000)	–
Repurchase of units	11(c)	(144,648)	(45,808)
Payment of lease obligations		(969)	(888)
Financing costs paid		(418)	(555)
Distributions to non-controlling interests		(275)	(213)
Cash used in financing activities		(166,695)	(267,495)
Effect of exchange rate changes on cash and cash equivalents		(4,392)	4,387
Net increase in cash and cash equivalents during the year		13,416	10,041
Cash and cash equivalents, beginning of the year		126,175	116,134
Cash and cash equivalents, end of the year		\$ 139,591	\$ 126,175

See accompanying notes

Notes to Consolidated Combined Financial Statements

(All amounts in thousands of Canadian dollars unless otherwise noted)

1. NATURE AND DESCRIPTION OF THE TRUST

Effective January 3, 2013, Granite Real Estate Inc. ("Granite Co.") completed its conversion from a corporate structure to a stapled unit real estate investment trust ("REIT") structure. All of the common shares of Granite Co. were exchanged, on a one-for-one basis, for stapled units ("stapled units"), each of which consisted of one unit of Granite Real Estate Investment Trust ("Granite REIT") and one common share of Granite REIT Inc. ("Granite GP"). Granite REIT is an unincorporated, open-ended, limited purpose trust established under and governed by the laws of the province of Ontario and created pursuant to a Declaration of Trust dated September 28, 2012 as subsequently amended and restated on October 1, 2024. Granite GP was incorporated on September 28, 2012 under the *Business Corporations Act* (British Columbia). Granite REIT, Granite GP and their subsidiaries carried on the business previously conducted by Granite Co.

On April 15, 2024, Granite REIT and Granite GP announced the proposal to simplify its capital structure by replacing its stapled unit structure with a conventional REIT trust unit structure (the "Arrangement"). Prior to the Arrangement, the unitholders of Granite REIT and Granite GP ("stapled unitholders") held stapled units. In the Arrangement (i) the two components of each stapled unit were uncoupled, (ii) each common share of Granite GP was automatically exchanged for a fractional Granite REIT unit and (iii) the Granite REIT units were consolidated back to the number of stapled units outstanding before the exchange occurred. On June 6, 2024, the Arrangement was approved by stapled unitholders at the Joint Annual General and Special Meetings of Stapled Unitholders. On June 10, 2024, Granite REIT and Granite GP received a final order from the Supreme Court of British Columbia approving the plan of Arrangement.

On October 1, 2024, the Arrangement was completed. As a result of and immediately following the Arrangement, each unitholder of Granite REIT ("unitholder") now holds a number of Granite REIT units ("units") equal to the number of stapled units held prior to the completion of the Arrangement, and Granite GP became a wholly-owned subsidiary of Granite REIT. The stapled units were delisted from the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE"), and the units traded on the TSX and the NYSE under the same ticker symbols "GRT.UN" and "GRP.U", respectively. Granite REIT and its subsidiaries (together "Granite" or the "Trust") are carrying on the business previously conducted by Granite REIT and Granite GP.

On December 10, 2025, Granite REIT delivered notice to the NYSE to voluntarily delist its units from the NYSE and to thereafter voluntarily deregister from its reporting obligations under the United States Securities Exchange Act of 1934. The last day of trading for units on the NYSE was December 31, 2025. Subsequent to December 31, 2025, Granite REIT filed a Form 15F with the United States Securities and Exchange Commission ("SEC") on January 5, 2026, to terminate the registration of its units and its corresponding reporting obligations under the United States Securities Exchange Act of 1934.

The principal office of Granite REIT is 77 King Street West, Suite 4010, P.O. Box 159, Toronto-Dominion Centre, Toronto, Ontario, M5K 1H1, Canada.

The Trust is a Canadian-based REIT engaged in the acquisition, development, ownership and management of logistics, warehouse and industrial properties in North America and Europe.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies described below were applied consistently to all periods presented in these consolidated combined financial statements.

(a) Basis of Presentation and Statement of Compliance

The consolidated combined financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards" or "GAAP").

These consolidated combined financial statements were approved by the Board of Trustees of Granite REIT on February 25, 2026.

(b) Consolidated Combined Financial Statements and Basis of Consolidation

Prior to the completion of the Arrangement described in note 1, the Trust did not have a single parent; however, each unit of Granite REIT and each share of Granite GP traded as a single stapled unit and accordingly, Granite REIT and Granite GP had identical ownership. Subsidiaries were consolidated by Granite GP or Granite REIT from the date of acquisition, being the date on which control was obtained. Subsidiaries continued to be consolidated until the date that such control ceased. Control existed when Granite GP or Granite REIT had power, exposure or rights to variable returns and the ability to use their power over the entity to affect the amount of returns it generated.

The consolidated combined financial statements include the results of Granite REIT and Granite GP up to September 30, 2024, the last day before Granite GP became a wholly-owned subsidiary of Granite REIT. For the periods prior to October 1, 2024, references to "units" should be read as "stapled units" and "unitholders" should be read as "stapled unitholders".

Following the completion of the Arrangement, Granite GP became a wholly-owned subsidiary of Granite REIT. The consolidated combined financial statements include the assets, liabilities and results of Granite REIT and its subsidiaries. Subsidiaries are consolidated from the date Granite REIT obtained control and continue to be consolidated until the date that such control ceases. Control exists when Granite REIT has power, exposure or rights to variable returns and the ability to use their power over the entity to affect the amount of returns it generates.

All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions are eliminated on consolidation.

(c) Granite REIT Units

The units are redeemable at the option of the holder and, therefore, are required to be accounted for as financial liabilities, except where certain exemption conditions are met, in which case redeemable instruments may be classified as equity. The attributes of the units meet the exemption conditions set out in IAS 32, *Financial Instruments: Presentation* and are, therefore, presented as equity on the consolidated combined balance sheets.

(d) Investment Properties

The Trust accounts for its investment properties, which include income-producing properties, properties under development and land held for development, in accordance with IAS 40, *Investment Property*. Properties under development and land held for development are combined and disclosed as development properties in note 4. For acquired investment properties that meet the definition of a business, the acquisition is accounted for as a business combination (note 2(e)); otherwise they are initially measured at cost including directly attributable expenses. Subsequent to acquisition, investment properties are carried at fair value, which is determined based on available market evidence at the balance sheet date including, among other things, rental revenue from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases less future cash outflows in respect of capital expenditures. Gains and losses arising from changes in fair value are recognized in net income in the period of change.

Income-Producing Properties

The carrying value of income-producing properties includes the impact of straight-line rental revenue (note 2(j)), tenant incentives and deferred leasing costs since these amounts are incorporated in the determination of the fair value of income-producing properties.

When an income-producing property is disposed of, the gain or loss is determined as the difference between the disposal proceeds, net of selling costs, and the carrying amount of the property and is recognized in net income in the period of disposal.

Properties Under Development

The Trust's properties under development are classified as such until the property is substantially completed and available for occupancy. The initial cost of properties under development includes the acquisition cost of the land and direct development or expansion costs, including construction costs, borrowing costs and indirect costs wholly attributable to development. Borrowing costs are capitalized to projects under development or construction based on the average accumulated expenditures outstanding during the period multiplied by the Trust's average borrowing rate on existing debt. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing cost incurred on such borrowings less any investment income arising on temporary investment of these borrowings. The capitalization of borrowing costs is suspended if there are prolonged periods that development activity is interrupted. The Trust capitalizes direct and indirect costs, including property taxes and insurance of the development property, if activities necessary to ready the development property for its intended use are in progress. Costs of internal personnel and other indirect costs that are wholly attributable to a project are capitalized as incurred.

If considered reliably measurable, properties under development are carried at fair value. Properties under development are measured at cost if fair value is not reliably measurable. In determining the fair value of properties under development consideration is given to, among other things, remaining construction costs, development risk, the stage of project completion and the reliability of cash inflows after project completion.

(e) Business Combinations

The Trust accounts for property acquisitions as a business combination if the particular assets and set of activities acquired can be operated and managed as a business in their current state

for the purpose of providing a return to unitholders. In accordance with IFRS 3, *Business Combinations*, the acquired set of activities and assets in an acquisition must include an input and a substantive process to qualify as a business. IFRS 3 provides for an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The Trust applies the acquisition method to account for business combinations. The consideration transferred for a business combination is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Trust. The total consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired as well as liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

The Trust recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred.

Any contingent consideration is recognized at fair value at the acquisition date. Subsequent changes to the fair value of contingent consideration that is recorded as an asset or liability is recognized in net income.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the identifiable net assets acquired. If the consideration transferred is lower than the fair value of the net assets acquired, the difference is recognized in net income.

(f) Assets Held for Sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is satisfied when the asset is available for immediate sale in its present condition, management is committed to the sale and the sale is highly probable to occur within one year. Assets held for sale are recorded at fair value in accordance with IFRS 13, *Fair Value Measurement*.

(g) Foreign Currency Translation

The assets and liabilities of the Trust's foreign operations are translated into Canadian dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, for material transactions, the exchange rates at the dates of those transactions are used. Exchange differences arising are recognized in other comprehensive (loss) income and accumulated in equity.

In preparing the financial statements of each entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the average rates of exchange prevailing in the period. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that

are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in net income in the period in which they arise except for:

- The effective portion of exchange differences on transactions entered into in order to hedge certain foreign currency risks are recognized in other comprehensive (loss) income;
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation) are recognized in other comprehensive (loss) income; and
- Exchange differences on foreign currency borrowings related to capitalized interest for assets under construction are recognized in investment properties.

(h) Financial Instruments and Hedging

Financial Assets and Financial Liabilities

The following summarizes the Trust’s classification and measurement basis of its financial assets and liabilities:

	Classification and Measurement Basis
Financial assets	
Long-term receivables included in other assets	Amortized Cost
Derivatives	Fair Value
Accounts receivable	Amortized Cost
Cash and cash equivalents	Amortized Cost
Financial liabilities	
Unsecured debentures, net	Amortized Cost
Unsecured term loans, net	Amortized Cost
Unsecured revolving credit facility	Amortized Cost
Derivatives	Fair Value
Accounts payable and accrued liabilities	Amortized Cost
Foreign exchange collar contracts	Fair Value
Distributions payable	Amortized Cost

The Trust recognizes an allowance for expected credit losses (“ECL”) for financial assets measured at amortized cost. The impact of the credit loss modeling process is summarized as follows:

- The Trust did not record an ECL allowance against long-term receivables as historical experience of loss on these balances is insignificant and, based on the assessment of forward-looking information, no significant increases in losses are expected. The Trust will continue to assess the valuation of these instruments.
- The Trust did not record an ECL allowance against accounts receivable and has determined that its internal processes of evaluating each receivable on a specific basis for collectability using historical experience and adjusted for forward-looking information, would

appropriately allow the Trust to determine if there are significant increases in credit risk to then record a corresponding ECL allowance.

For financial liabilities measured at amortized cost, the liability is amortized using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the financial liabilities are recognized in net income over the expected life of the obligation.

In regards to modifications to financial liabilities, when a financial liability measured at amortized cost is modified or exchanged, and such modification or exchange does not result in derecognition, the adjustment to the amortized cost of the financial liability as a result of the modification or exchange is recognized in net income.

Derivatives and Hedging

Derivative instruments, such as the cross currency interest rate swaps, interest rate swaps and foreign exchange collar contracts, are recorded in the consolidated combined balance sheet at fair value, including those derivatives that are embedded in financial or non-financial contracts. Changes in the fair value of derivative instruments which are not designated as hedges for accounting purposes are recognized in the consolidated combined statements of net income. The Trust utilizes derivative financial instruments from time to time in the management of its foreign currency and interest rate exposures. The Trust's policy is not to utilize derivative financial instruments for trading or speculative purposes.

The Trust applies hedge accounting to certain derivative and non-derivative financial instruments designated as hedges of net investments in subsidiaries with a functional currency other than the Canadian dollar. Hedge accounting is discontinued prospectively when the hedge relationship is terminated or no longer qualifies as a hedge, or when the hedging item is sold or terminated. In a net investment hedging relationship, the effective portion of gains or losses on the hedging instruments is recognized in other comprehensive (loss) income and the ineffective portion is recognized in net income. The amounts recorded in accumulated other comprehensive income are recognized in net income when there is a disposition or partial disposition of the foreign subsidiary.

(i) Leases

The Trust recognizes a right-of-use asset and a lease obligation at the lease commencement date, in accordance with IFRS 16, *Leases*. The Trust accounts for its right-of-use assets that do not meet the definition of investment property as fixed assets. The right-of-use asset is initially measured at cost and, subsequently, at cost less any accumulated depreciation and impairment, and adjusted for certain remeasurements of the lease obligation. When a right-of-use asset meets the definition of investment property, it is initially measured at cost and subsequently measured at fair value (note 2(d)).

The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Trust's incremental borrowing rate. Generally, the Trust uses its incremental borrowing rate as the discount rate.

The lease obligation is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or, as appropriate, a change in the

assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(j) Revenue Recognition

Where Granite has retained substantially all the benefits and risks of ownership of its rental properties, leases with its tenants are accounted for as operating leases. Where substantially all the benefits and risks of ownership of the Trust's rental properties have been transferred to its tenants, the Trust's leases are accounted for as finance leases. All of the Trust's current leases are operating leases.

Revenue from investment properties includes base rents earned from tenants under lease agreements, property tax and operating cost recoveries and other incidental income. Rents from tenants may contain rent escalation clauses or free rent periods which are recognized in revenue on a straight-line basis over the term of the lease. The difference between the revenue recognized and the contractual rent is included in investment properties as straight-line rents receivable. In addition, tenant incentives including cash allowances provided to tenants are recognized as a reduction in rental revenue on a straight-line basis over the term of the lease where it is determined that the tenant fixturing has no benefit to the property beyond the existing tenancy. Property tax and operating cost recoveries from tenants are recognized as revenue in the period in which applicable costs are incurred.

(k) Unit-based Compensation Plans

Executive Deferred Unit Plan

The executive deferred unit plan is measured at fair value at the date of grant and amortized to compensation expense from the effective date of the grant to the final vesting date. Compensation expense is recognized on a proportionate basis consistent with the vesting features of each tranche of the grant. Compensation expense for executive deferred units granted under the plan is recognized in general and administrative expenses with a corresponding liability recognized based upon the fair value of the Granite REIT units as the Trust is an open-ended trust making its units redeemable. During the period in which the executive deferred units are outstanding, for grants with no performance criteria, the liability is adjusted for changes in the market value of the Granite REIT units, and for grants with performance criteria, the liability is measured at fair value using the Monte Carlo simulation model (note 11), with both such adjustments being recognized as compensation expense in general and administrative expenses in the period in which they occur. The liability balance is reduced as deferred units are forfeited or settled for units and recorded in equity.

Director/Trustee Deferred Share Unit Plan

The compensation expense and a corresponding liability associated with the director/trustee deferred share unit plan are measured based on the market value of the underlying Granite REIT units. During the period in which the awards are outstanding, the liability is adjusted for changes in the market value of the underlying Granite REIT units, with such positive or negative adjustments being recognized in general and administrative expenses in the period in which they occur. The liability balance is settled for cash or units when a director/trustee ceases to be a member of the Board.

(I) Income Taxes

Operations in Canada

Granite qualifies as a mutual fund trust under the Income Tax Act (Canada) (the "Act") and as such the Trust itself will not be subject to income taxes provided it continues to qualify as a REIT for purposes of the Act. A REIT is not taxable and not considered to be a Specified Investment Flow-through Trust provided it complies with certain tests and it distributes all of its taxable income in a taxation year to its unitholders.

The Trust's qualification as a REIT results in no current or deferred income tax being recognized in the consolidated combined financial statements for income taxes related to the Canadian investment properties.

Operations in the United States

The Trust's investment property operations in the United States are conducted in a qualifying United States REIT ("US REIT") for purposes of the Internal Revenue Code of 1986, as amended. As a qualifying US REIT, it is not taxable provided it complies with certain tests in addition to the requirement to distribute substantially all of its taxable income.

As a qualifying US REIT, current income taxes on U.S. taxable income have not been recorded in the consolidated combined financial statements, except for nominal state income taxes recorded in relation to certain non-conforming US States. However, the Trust has recorded deferred income taxes that may arise on the disposition of its investment properties as the Trust will likely be subject to entity level income tax in order to prevent taxation under the Foreign Investment in Real Property Tax Act.

Operations in Europe

The Trust consolidates certain entities that continue to be subject to income tax.

Income taxes for taxable entities in Europe, as well as other entities in Canada or the United States subject to tax, are recorded as follows:

Current Income Tax

The current income tax expense is determined on the basis of enacted or substantively enacted tax rates and laws at each balance sheet date.

Deferred Income Tax

Deferred income tax is recorded, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and the amounts reported on the consolidated combined financial statements. Deferred income tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets are recognized to the extent that it is probable that deductions, tax credits or tax losses will be utilized.

Each of the current and deferred tax assets and liabilities are offset when they are levied by the same taxation authority in either the same taxable entity or different taxable entities within the same reporting group that settle on a net basis.

(m) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts and disclosures made in the financial statements and accompanying notes.

Management believes that the judgments, estimates and assumptions utilized in preparing the consolidated combined financial statements are reasonable and prudent; however, actual results could be materially different from those estimates and require an adjustment to the recognized amounts in the period of change.

Judgments

The following are the critical judgments that have been made in applying the Trust's accounting policies and that have the most significant effect on the amounts recognized in the consolidated combined financial statements:

(i) Leases

The Trust's policy for revenue recognition is described in note 2(j). The Trust makes judgments in determining whether certain leases are operating or finance leases, in particular tenant leases with long contractual terms or leases where the property is a large square-footage and/or architecturally specialized. The Trust also makes judgments in determining the lease term for some lease contracts in which it is a lessee that include renewal or termination options. The assessment of whether the Trust is reasonably certain to exercise such options impacts the lease term which, in turn, significantly affects the amount of lease obligations and right-of-use assets recognized.

(ii) Investment Properties

The Trust's policy relating to investment properties is described in note 2(d). In applying this policy, judgment is used in determining whether certain costs incurred for tenant improvements are additions to the carrying amount of the property or represent incentives, identifying the point at which practical completion of properties under development occurs and determining borrowing costs to be capitalized to the carrying value of properties under development. Judgment is also applied in determining the use, extent and frequency of independent appraisals.

(iii) Income Taxes

The Trust applies judgment in determining whether it will continue to qualify as a REIT for both Canadian and U.S. tax purposes for the foreseeable future. However, should it at some point no longer qualify, it would be subject to income tax and would be required to recognize current and deferred income taxes.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include the following:

(i) Valuation of Investment Properties

The fair value of investment properties is determined by management using primarily the discounted cash flow method in which the income and expenses are projected over the anticipated term of the investment plus a subsequent reversionary value discounted using an appropriate discount rate. The Trust obtains, from time to time, appraisals from independent qualified real estate valuation experts. However, the Trust does not value its investment properties based on these appraisals but uses them as data points, alongside other external market information for management to arrive at its own conclusions on values. Management receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of the Trust's portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. The critical assumptions relating to the Trust's estimates of fair values of investment properties include contractual rents, contractual renewal terms, expected future market rental rates, discount rates that reflect current market uncertainties, capitalization rates and recent investment property prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may change materially. Refer to note 4 for further information on the estimates and assumptions made by management.

(ii) Fair Value of Financial Instruments

Where the fair value of financial assets or liabilities recorded on the consolidated combined balance sheet or disclosed in the notes cannot be derived from active markets, it is determined using valuation techniques including the discounted cash flow method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could materially affect the reported fair value of financial instruments.

(iii) Income Taxes

The Trust operates in a number of countries and is subject to the income tax laws and related tax treaties in each of its operating jurisdictions. These laws and treaties can be subject to different interpretations by relevant taxation authorities. Significant judgment is required in the estimation of Granite's income tax expense, the interpretation and application of the relevant tax laws and treaties, and the provision for any exposure that may arise from tax positions that are under audit by relevant taxation authorities.

The recognition and measurement of deferred tax assets or liabilities is dependent on management's estimate of future taxable profits and income tax rates that are expected to be in effect in the period the asset is realized or the liability is settled. Any changes in management's estimate can result in changes in deferred tax assets or liabilities as reported in the consolidated combined balance sheets and also the deferred income tax expense in the consolidated combined statements of net income.

(n) Future Changes in Accounting Standards

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, *Presentation of Financial Statements*, impacts the presentation of primary financial statements and notes, including the statement of profit or loss where entities will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard also requires aggregation and disaggregation of information, and disclosure of management-defined performance measures in the notes to the financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted.

The Trust is currently assessing the impact of IFRS 18 on its consolidated financial statements and intends to adopt the standard for the annual reporting period beginning on January 1, 2027.

3. ACQUISITIONS

During the year ended December 31, 2025, Granite made the following property acquisitions:

Property	Location	Date acquired	Property purchase price	Transaction costs	Total acquisition cost
Income-producing properties:					
3850 NW 126th Ave. . .	Coral Springs, FL	June 30, 2025	\$ 19,580	\$ 77	\$ 19,657
3872 NW 126th Ave. . .	Coral Springs, FL	June 30, 2025	29,966	123	30,089
Brackmills Industrial Estate, Salthouse Rd.	Northampton, United Kingdom	December 1, 2025	36,164	2,956	39,120
201 NW 22nd Ave.	Fort Lauderdale, FL	December 17, 2025	88,460	220	88,680
Houston portfolio (four income-producing properties):					
7865 Northcourt Rd.					
7875 Northcourt Rd.					
7885 Northcourt Rd.					
7909 Northcourt Rd. . .	Houston, TX	December 17, 2025	167,644	259	167,903
			\$ 341,814	\$ 3,635	\$ 345,449

During the year ended December 31, 2025, transaction costs of \$3.6 million, which included land transfer tax, legal and advisory costs, were first capitalized to the cost of the respective properties and then subsequently expensed to net fair value losses (gains) on investment properties on the consolidated combined statement of net income as a result of measuring the properties at fair value.

During the year ended December 31, 2024, Granite did not acquire any properties.

4. INVESTMENT PROPERTIES

As at December 31,	2025		2024	
Income-producing properties	\$	9,359,291	\$	9,297,137
Development properties ⁽¹⁾		119,158		100,149
	\$	9,478,449	\$	9,397,286

⁽¹⁾ Development properties include properties under development and land held for development.

Changes in investment properties are shown in the following table:

Years ended December 31,	2025		2024	
	Income- producing properties	Development properties ⁽¹⁾	Income- producing properties	Development properties ⁽¹⁾
Balance, beginning of year	\$ 9,297,137	\$ 100,149	\$ 8,641,352	\$ 166,787
Maintenance or improvements	25,011	-	15,381	-
Leasing costs	15,321	4,231	8,218	-
Tenant allowances	1,907	-	8,675	-
Developments or expansions	4,228	16,132	22,979	4,448
Acquisitions (note 3)	345,449	-	-	-
Disposals (note 5)	(189,503)	-	-	-
Transfer to income-producing properties	-	-	72,701	(72,701)
Amortization of straight-line rent	9,044	-	11,843	-
Amortization of tenant allowances	-	-	(54)	-
Other changes	134	-	85	(51)
Fair value (losses) gains, net	(5,638)	-	53,037	-
Foreign currency translation, net	(62,773)	(1,354)	462,920	1,666
Classified as assets held for sale (note 5) ..	(81,026)	-	-	-
Balance, end of year	\$ 9,359,291	\$ 119,158	\$ 9,297,137	\$ 100,149

⁽¹⁾ Development properties include properties under development and land held for development.

The Trust determines the fair value of an income-producing property based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions and lease renewals at the applicable balance sheet dates, less future cash outflows in respect of such leases. Fair values were primarily determined by using a 10-year cash flow and subsequent reversionary value discounted back to present value. The fair values of properties under development are measured using a discounted cash flow model, net of costs to complete, as of the balance sheet date. The valuation metrics utilized to derive the Trust's investment property valuations are determined by management. The Trust does not value its investment properties based on models prepared by external appraisers but uses such external appraisals as data points, alongside other external market information for management to arrive at its own conclusions on values. Management receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of the Trust's portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. There has been no change in the valuation methodology during the year.

Included in investment properties as at December 31, 2025 is \$86.3 million (2024 – \$81.3 million) of net straight-line rent receivables arising from the recognition of rental revenue on a straight-line basis over the lease term.

Details about contractual obligations to purchase, construct and develop properties can be found in the commitments and contingencies note (note 19).

Tenant minimum rental commitments payable to Granite on non-cancellable operating leases as at December 31, 2025 are as follows:

2026	\$	522,864
2027		500,689
2028		445,794
2029		359,354
2030		296,547
2031 and thereafter		1,067,262
	\$	3,192,510

Valuations are most sensitive to changes in discount rates and terminal capitalization rates. The key valuation metrics for income-producing properties by country are set out below:

As at December 31,	2025 ⁽¹⁾			2024		
	Weighted average ⁽²⁾	Maximum	Minimum	Weighted average ⁽²⁾	Maximum	Minimum
Canada						
Discount rate	6.74 %	7.50 %	6.25 %	6.59 %	7.50 %	6.00 %
Terminal capitalization rate	5.46 %	6.50 %	4.75 %	5.45 %	6.50 %	4.75 %
United States						
Discount rate	7.19 %	10.75 %	6.40 %	7.15 %	10.50 %	6.40 %
Terminal capitalization rate	6.16 %	9.25 %	5.25 %	6.06 %	9.25 %	5.50 %
Germany						
Discount rate	7.34 %	10.10 %	5.90 %	7.20 %	9.65 %	5.85 %
Terminal capitalization rate	6.27 %	9.20 %	5.10 %	6.18 %	8.90 %	4.85 %
Austria						
Discount rate	9.03 %	10.25 %	8.50 %	8.68 %	9.90 %	8.15 %
Terminal capitalization rate	7.40 %	8.25 %	6.75 %	7.40 %	8.25 %	6.75 %
Netherlands						
Discount rate	6.76 %	7.80 %	5.60 %	6.48 %	7.95 %	5.75 %
Terminal capitalization rate	6.96 %	10.15 %	5.95 %	6.68 %	9.40 %	5.95 %
United Kingdom						
Discount rate	9.00 %	9.00 %	9.00 %	N/A	N/A	N/A
Terminal capitalization rate	7.75 %	7.75 %	7.75 %	N/A	N/A	N/A
Total						
Discount rate	7.25 %	10.75 %	5.60 %	7.11 %	10.50 %	5.75 %
Terminal capitalization rate	6.21 %	10.15 %	4.75 %	6.11 %	9.40 %	4.75 %

- (1) Excludes assets held for sale.
(2) Weighted based on income-producing property fair value.

The table below summarizes the sensitivity of the fair value of income-producing properties to changes in either the discount rate or terminal capitalization rate:

Rate sensitivity	Discount Rate		Terminal Capitalization Rate	
	Fair value	Change in fair value	Fair value	Change in fair value
+50 basis points	\$ 9,017,406	\$ (341,885)	\$ 8,941,594	\$ (417,697)
+25 basis points	9,186,336	(172,955)	9,142,234	(217,057)
Base rate	9,359,291	–	9,359,291	–
-25 basis points	9,536,402	177,111	9,594,957	235,666
-50 basis points	\$ 9,717,761	\$ 358,470	\$ 9,851,784	\$ 492,493

5. DISPOSITIONS AND ASSETS HELD FOR SALE

Dispositions

During the year ended December 31, 2025, Granite disposed of three income-producing properties located in the United States. The details of the disposed properties are as follows:

Property	Location	Date disposed	Sale price
Midwest portfolio (three income-producing properties):			
1451 Allpoints Ct.	Plainfield, IN		
1901 Beggrow St.	Columbus, OH		
8779 LeSaint Dr.	Hamilton, OH	December 19, 2025	\$ 189,503
			\$ 189,503

During the year ended December 31, 2024, there were no property dispositions.

During the year ended December 31, 2025, Granite incurred \$2.0 million of broker commissions and legal and advisory costs associated with the disposals which were included in loss on sale of investment properties on the consolidated combined statement of net income.

Assets Held for Sale

At December 31, 2025, two income-producing properties located in the United States and Netherlands having a total fair value of \$81.0 million are classified as assets held for sale, and are expected to be disposed within 12 months. At December 31, 2024, no income-producing properties were classified as assets held for sale.

6. OTHER ASSETS

As at December 31,	2025	2024
Deferred financing costs associated with the revolving credit facility	\$ 2,151	\$ 2,235
Long-term receivables	209	264
	\$ 2,360	\$ 2,499

7. UNSECURED DEBT AND RELATED DERIVATIVES

As at December 31,	2025		2024	
Unsecured debentures and term loans, net	\$	3,071,608	\$	3,078,453
Unsecured revolving credit facility		205,000		–
	\$	3,276,608	\$	3,078,453

(a) Unsecured Revolving Credit Facility

On March 28, 2025, the Trust amended its existing unsecured revolving credit facility (the “Credit Facility”) to extend the maturity date by one year to March 31, 2030, with a limit of \$1.0 billion. Draws on the Credit Facility are available by way of Canadian dollar, US dollar or Euro denominated loans or Canadian dollar or US dollar denominated letters of credit. The Credit Facility provides the Trust the ability to increase the amount of the commitment by an additional aggregate principal amount of up to \$450.0 million with the consent of the participating lenders. While the Credit Facility matures on March 31, 2030, the Trust has the option to extend the maturity date by one year to March 31, 2031, subject to the agreement of lenders in respect of a minimum of 66 2/3% of the aggregate amount committed under the Credit Facility. As at December 31, 2025, the Trust had an outstanding balance of \$205.0 million (2024 – nil) on the Credit Facility and \$2.8 million (2024 – \$2.8 million) in letters of credit issued against the Credit Facility.

(b) Unsecured Debentures and Term Loans, Net

As at December 31,		2025			2024	
	Maturity Date	Amortized Cost ⁽¹⁾	Principal issued and outstanding	Amortized Cost ⁽¹⁾	Principal issued and outstanding	
2026 Debentures	December 11, 2026	\$ 299,556	\$ 300,000	\$ –	\$ –	–
2027 Debentures	June 4, 2027	499,329	500,000	498,857	500,000	500,000
2028 Debentures	August 30, 2028	498,922	500,000	498,518	500,000	500,000
April 2029 Debentures	April 12, 2029	398,399	400,000	397,947	400,000	400,000
October 2029 Debentures	October 4, 2029	249,009	250,000	248,746	250,000	250,000
2030 Debentures	December 18, 2030	498,451	500,000	498,139	500,000	500,000
2031 Debentures	October 4, 2031	547,538	550,000	547,110	550,000	550,000
September 2026 Term Loan	September 8, 2026	80,404	80,448	89,336	89,443	89,443
December 2026 Term Loan	December 11, 2026	–	–	299,800	300,000	300,000
		\$ 3,071,608	\$ 3,080,448	\$ 3,078,453	\$ 3,089,443	

⁽¹⁾ The amounts outstanding are net of deferred financing costs. The deferred financing costs are amortized using the effective interest method and are included in interest expense.

As at December 31,	2025		2024	
Unsecured Debentures and Term Loans, Net				
Non-current	\$	2,691,648	\$	3,078,453
Current		379,960		–
	\$	3,071,608	\$	3,078,453

2026 Debentures

On February 4, 2025, Granite REIT Holdings Limited Partnership ("Granite LP"), a wholly-owned subsidiary of Granite, issued at par \$300.0 million aggregate principal amount of Series 10 senior unsecured debentures bearing interest at daily compounded Canadian Overnight Repo Rate Average ("CORRA") plus 0.77% per annum, payable quarterly in arrears, and maturing on December 11, 2026 (the "2026 Debentures"). Deferred financing costs of \$0.9 million were incurred in connection with the issuance of the 2026 Debentures and are recorded as a reduction against the carrying value.

The 2026 Debentures are redeemable, in whole or in part from time to time, at Granite LP's option on any interest payment date, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the 2026 Debentures to be redeemed; and (b) the CORRA Yield Price. The CORRA Yield Price is based on the sum of the discounted principal and interest payments remaining to maturity under the portion of the 2026 Debentures to be redeemed, discounted on the basis of the CORRA Yield (CORRA plus 0%).

2027 Debentures

On June 4, 2020, Granite LP issued at par \$500.0 million aggregate principal amount of 3.062% Series 4 senior unsecured debentures due June 4, 2027 (the "2027 Debentures"). Interest on the 2027 Debentures is payable semi-annually in arrears on June 4 and December 4 of each year. Deferred financing costs of \$3.0 million were incurred in connection with the issuance of the 2027 Debentures and are recorded as a reduction against the carrying value.

The 2027 Debentures are redeemable, in whole or in part, at Granite's option at any time and from time to time, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the 2027 Debentures to be redeemed; and (b) the Canada Yield Price. The Canada Yield Price means, in respect of a 2027 Debenture, a price equal to which, if the 2027 Debenture were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to its maturity date equal to 65.0 basis points above the yield that a non-callable Government of Canada bond, trading at par, would carry if issued on the redemption date with a maturity date of June 4, 2027. Granite also has the option to redeem the 2027 Debentures at par plus any accrued and unpaid interest within two months of the maturity date of June 4, 2027.

2028 Debentures

On August 30, 2021, Granite LP issued at par \$500.0 million aggregate principal amount of 2.194% Series 6 senior unsecured debentures due August 30, 2028 (the "2028 Debentures"). Interest on the 2028 Debentures is payable semi-annually in arrears on February 28 and August 30 of each year. Deferred financing costs of \$2.7 million were incurred in connection with the issuance of the 2028 Debentures and are recorded as a reduction against the carrying value.

The 2028 Debentures are redeemable, in whole or in part, at Granite's option at any time and from time to time, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the 2028 Debentures to be redeemed; and (b) the Canada Yield Price. The Canada Yield Price means, in respect of a 2028 Debenture, a price equal to which, if the 2028 Debenture were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to its maturity date equal to 28.5 basis points above the yield that a non-callable Government of Canada bond, trading at par, would carry if issued on the redemption date with a maturity date of August 30, 2028. Granite also has the option to

redeem the 2028 Debentures at par plus any accrued and unpaid interest within two months of the maturity date of August 30, 2028.

April 2029 Debentures

On October 12, 2023, Granite LP issued at par \$400.0 million aggregate principal amount of 6.074% Series 7 senior unsecured debentures due April 12, 2029 (the "April 2029 Debentures"). Interest on the April 2029 Debentures is payable semi-annually in arrears on April 12 and October 12 of each year. Deferred financing costs of \$2.5 million were incurred in connection with the issuance of the April 2029 Debentures and are recorded as a reduction against the carrying value.

The April 2029 Debentures are redeemable, in whole or in part, at Granite's option at any time and from time to time, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the April 2029 Debentures to be redeemed; and (b) the Canada Yield Price. The Canada Yield Price means, in respect of a April 2029 Debenture, a price equal to which, if the April 2029 Debenture were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to its maturity date equal to 50.5 basis points above the yield that a non-callable Government of Canada bond, trading at par, would carry if issued on the redemption date with a maturity date of April 12, 2029. Granite also has the option to redeem the April 2029 Debentures at par plus any accrued and unpaid interest within one month of the maturity date of April 12, 2029.

October 2029 Debentures

On October 4, 2024, Granite LP issued at par \$250.0 million aggregate principal amount of 3.999% Series 8 senior unsecured debentures due October 4, 2029 (the "October 2029 Debentures"). Interest on the October 2029 Debentures is payable semi-annually in arrears on April 4 and October 4 of each year. Deferred financing costs of \$1.3 million were incurred in connection with the issuance of the October 2029 Debentures and are recorded as a reduction against the carrying value.

The October 2029 Debentures are redeemable, in whole or in part, at Granite's option at any time and from time to time, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the October 2029 Debentures to be redeemed; and (b) the Canada Yield Price. The Canada Yield Price means, in respect of a October 2029 Debenture, a price equal to which, if the October 2029 Debenture were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to its maturity date equal to 31 basis points above the yield that a non-callable Government of Canada bond, trading at par, would carry if issued on the redemption date with a maturity date of October 4, 2029. Granite also has the option to redeem the October 2029 Debentures at par plus any accrued and unpaid interest within one month of the maturity date of October 4, 2029.

2030 Debentures

On December 18, 2020, Granite LP issued at par \$500.0 million aggregate principal amount of 2.378% Series 5 senior unsecured debentures due December 18, 2030 (the "2030 Debentures"). Interest on the 2030 Debentures is payable semi-annually in arrears on June 18 and December 18 of each year. Deferred financing costs of \$3.0 million were incurred in connection with the issuance of the 2030 Debentures and are recorded as a reduction against the carrying value.

The 2030 Debentures are redeemable, in whole or in part, at Granite's option at any time and from time to time, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the 2030 Debentures to be redeemed; and (b) the Canada Yield Price. The Canada Yield Price means, in respect of a 2030 Debenture, a price equal to which, if the 2030 Debenture were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to its maturity date equal to 39.5 basis points above the yield that a non-callable Government of Canada bond, trading at par, would carry if issued on the redemption date with a maturity date of December 18, 2030. Granite also has the option to redeem the 2030 Debentures at par plus any accrued and unpaid interest within three months of the maturity date of December 18, 2030.

2031 Debentures

On October 4, 2024, Granite LP issued at par \$550.0 million aggregate principal amount of 4.348% Series 9 senior unsecured debentures due October 4, 2031 (the "2031 Debentures"). Interest on the 2031 Debentures is payable semi-annually in arrears on April 4 and October 4 of each year. Deferred financing costs of \$3.0 million were incurred in connection with the issuance of the 2031 Debentures and are recorded as a reduction against the carrying value.

The 2031 Debentures are redeemable, in whole or in part, at Granite's option at any time and from time to time, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the 2031 Debentures to be redeemed; and (b) the Canada Yield Price. The Canada Yield Price means, in respect of a 2031 Debenture, a price equal to which, if the 2031 Debenture were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to its maturity date equal to 37.5 basis points above the yield that a non-callable Government of Canada bond, trading at par, would carry if issued on the redemption date with a maturity date of October 4, 2031. Granite also has the option to redeem the 2031 Debentures at par plus any accrued and unpaid interest within two months of the maturity date of October 4, 2031.

2024 Term Loan

On December 19, 2018, Granite LP entered into and fully drew upon a US\$185.0 million senior unsecured non-revolving term facility that originally matured on December 19, 2022. On October 10, 2019, Granite refinanced the US\$185.0 million term facility and extended the maturity date two years to December 19, 2024 (the "2024 Term Loan").

On December 19, 2024, Granite LP repaid in full the outstanding US\$185.0 million aggregate principal amount of the 2024 Term Loan. In conjunction with the repayment, the associated cross currency interest rate swap (the "2024 Cross Currency Interest Rate Swap") was terminated and the related mark to market asset of US\$10.8 million was settled.

2025 Term Loan

On September 15, 2022, Granite LP entered into and fully drew upon a US\$400.0 million senior unsecured non-revolving term facility with a maturity date of September 15, 2025 (the "2025 Term Loan").

On October 4, 2024, Granite LP repaid in full the outstanding US\$400.0 million aggregate principal amount of the 2025 Term Loan without penalty. In conjunction with the repayment, the associated interest rate swap (the "2025 Interest Rate Swap") was terminated and the related mark to market asset of US\$0.6 million was settled.

September 2026 Term Loan

On September 7, 2023, Granite LP entered into and fully drew upon a €70.0 million senior unsecured non-revolving term facility that will mature on September 8, 2026 (the "September 2026 Term Loan"). The September 2026 Term Loan is fully prepayable without penalty. Any amount repaid may not be re-borrowed. Interest on drawn amounts is calculated based on EURIBOR plus a margin and is payable monthly in arrears. Deferred financing costs of \$0.2 million were incurred and are recorded as a reduction against the carrying value.

On December 10, 2024, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty. In conjunction with the partial repayment, a €10.0 million portion of the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.2 million was settled.

On October 14, 2025, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty. In conjunction with the partial repayment, a €10.0 million portion of the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.1 million was settled.

December 2026 Term Loan

On December 12, 2018, Granite LP entered into and fully drew upon a \$300.0 million senior unsecured non-revolving term facility that originally matured on December 12, 2025. On November 27, 2019, Granite refinanced the \$300.0 million term facility and extended the maturity date one year to December 11, 2026 (the "December 2026 Term Loan"). Deferred financing costs of \$1.5 million were incurred and recorded as a reduction against the carrying value.

In conjunction with the extension, the previously existing cross currency interest rate swap associated with the term facility was settled on November 27, 2019 and a new cross currency interest rate swap was entered into (note 7(c)).

The December 2026 Term Loan was fully prepayable without penalty. Any amount repaid could not be re-borrowed. Interest on drawn amounts of the December 2026 Term Loan was initially based on CDOR plus an applicable margin determined by reference to the external credit rating of Granite LP. As a result of the cessation of the publication of CDOR on June 28, 2024 and the Canadian financial benchmark being replaced by CORRA, on February 8, 2024, Granite amended the December 2026 Term Loan and December 2026 Cross Currency Interest Rate Swap to update the benchmark rates in these agreements from CDOR to CORRA including a fixed spread for the basis difference between CDOR and CORRA, without any economic impact or change to Granite's risk management strategy.

On February 4, 2025, Granite LP repaid in full, without penalty, the outstanding \$300.0 million aggregate principal amount of the December 2026 Term Loan, which had a maturity date of December 11, 2026.

The 2026 Debentures, 2027 Debentures, 2028 Debentures, April 2029 Debentures, October 2029 Debentures, 2030 Debentures, 2031 Debentures and September 2026 Term Loan rank pari passu with all of Granite LP's other existing and future senior unsecured indebtedness and are guaranteed by Granite REIT and Granite GP.

(c) Derivatives

As at December 31,							2025	2024	
	Notional amount to be paid		Interest payment rate	Notional amount to be received		Interest receipt rate	Maturity date	Fair value assets (liabilities)	Fair value assets (liabilities)
September 2026 Interest Rate Swap ⁽¹⁾⁽²⁾⁽³⁾	--	--	4.333 %	--	--	EURIBOR plus margin	Sept. 8, 2026	(857)	(1,502)
December 2026 Cross Currency Interest Rate Swap ⁽⁴⁾	205,500	EUR	1.355 %	300,000	CAD	CORRA plus margin	Dec. 11, 2026	(23,097)	9,499
2027 Cross Currency Interest Rate Swap	370,300	USD	2.964 %	500,000	CAD	3.062 %	June 4, 2027	173	(13,255)
2028 Cross Currency Interest Rate Swap	119,100	USD	2.096 %	150,000	CAD	2.194 %	Aug. 30, 2028	(9,391)	(11,941)
2028 Cross Currency Interest Rate Swap	242,100	EUR	0.536 %	350,000	CAD	2.194 %	Aug. 30, 2028	(25,297)	5,270
April 2029 Cross Currency Interest Rate Swap ⁽⁵⁾	277,700	EUR	4.958 %	400,000	CAD	6.103 %	Apr. 12, 2029	(41,242)	(5,594)
October 2029 Cross Currency Interest Rate Swap ⁽⁶⁾	167,400	EUR	3.494 %	250,000	CAD	3.999 %	Oct. 4, 2029	(19,186)	(6)
2030 Cross Currency Interest Rate Swap	319,400	EUR	1.045 %	500,000	CAD	2.378 %	Dec. 18, 2030	8,053	42,606
								\$ (110,844)	\$ 25,077

- (1) On September 8, 2023, Granite LP entered into a float to fixed interest rate swap (the "September 2026 Interest Rate Swap") to exchange the floating EURIBOR-based interest payments of the September 2026 Term Loan for fixed interest payments resulting in an all-in fixed interest rate of 4.333%.
- (2) On December 10, 2024, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty. In conjunction with the partial repayment, a €10.0 million portion of the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.2 million was settled (note 7(b)).
- (3) On October 14, 2025, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty. In conjunction with the partial repayment, a €10.0 million portion of the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.1 million was settled (note 7(b)).
- (4) On February 4, 2025, Granite LP issued the 2026 Debentures at a floating rate of interest of CORRA plus 0.77% and used the net proceeds from the offering to repay in full, without penalty, the December 2026 Term Loan. In combination with the 2026 Debentures, the all-in effective fixed interest rate is 0.27% (note 7(b)).
- (5) On October 12, 2023, Granite LP entered into a cross currency interest rate swap (the "April 2029 Cross Currency Interest Rate Swap") to exchange the Canadian dollar denominated principal and interest payments of the April 2029 Debentures for Euro denominated principal and interest payments resulting in an all-in effective fixed interest rate of 4.929%.
- (6) On October 4, 2024, Granite LP entered into a cross currency interest rate swap (the "October 2029 Cross Currency Interest Rate Swap") to exchange the Canadian dollar denominated principal and interest payments of the October 2029 Debentures for Euro denominated principal and interest payments resulting in an all-in effective fixed interest rate of 3.494%.

As at December 31,	2025	2024
Derivative assets at fair value		
Non-current	\$ 8,226	\$ 57,375
	\$ 8,226	\$ 57,375
Derivative liabilities at fair value		
Non-current	\$ 95,116	\$ 32,298
Current	23,954	--
	\$ 119,070	\$ 32,298

For the year ended December 31, 2025, the cross currency interest rate swaps and the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap are designated as net investment hedges of the Trust's investments in foreign operations ("Net Investment Hedges"). The effectiveness of the hedges is assessed quarterly. Gains and losses associated with the effective portion of the hedges are recognized in other comprehensive (loss) income. For the year ended December 31, 2025, the Trust has assessed the Net Investment Hedges to be effective, except for a portion of the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap and a portion of the December 2026 Cross Currency Interest Rate Swap.

For the year ended December 31, 2025, a net fair value gain of \$0.1 million has been recognized in fair value gains on financial instruments, net (note 12(e)) in the consolidated combined statement of net income, due to the ineffectiveness relating to the interest rate portion of certain hedging relationships described above.

The Trust has elected to record the differences resulting from the interest rates associated with the derivatives in the consolidated combined statements of net income.

8. LEASE OBLIGATIONS

As at December 31, 2025, the Trust had leases for the use of office space, office and other equipment, and ground leases for the land upon which four income-producing properties in Europe and Canada are situated. The Trust recognized these leases as right-of-use assets and recorded related lease liability obligations.

The present value of future minimum lease payments relating to the right-of-use assets as at December 31, 2025 in aggregate for the next five years and thereafter are as follows:

2026	\$ 1,079
2027	805
2028	588
2029	490
2030	549
2031 and thereafter	31,212
	\$ 34,723

During the year ended December 31, 2025, the Trust recognized \$1.7 million (2024 – \$1.6 million) of interest expense related to lease obligations (note 12(d)).

9. CURRENT LIABILITIES

Deferred Revenue

Deferred revenue relates to prepaid and unearned revenue received from tenants and fluctuates with the timing of rental receipts.

Accounts Payable and Accrued Liabilities

As at December 31,	2025	2024
Accounts payable	\$ 17,659	\$ 13,540
Commodity tax payable	7,260	7,521
Tenant security deposits	9,731	6,689
Employee unit-based compensation	14,349	7,957
Trustee/director unit-based compensation	12,022	9,865
Accrued salaries, incentives and benefits	7,292	6,988
Accrued interest payable	19,957	20,462
Accrued construction costs	14,630	2,282
Accrued professional fees	1,977	1,404
Acquisition related liabilities	1,200	28
Accrued property operating costs	14,235	10,714
Other tenant related liabilities	5,452	7,671
Accrued foreign exchange collar liabilities	295	1,329
Stock buyback tax payable	2,845	905
Other accrued liabilities	1,708	1,719
	\$ 130,612	\$ 99,074

10. DISTRIBUTIONS TO UNITHOLDERS

Total distributions declared to unitholders in the year ended December 31, 2025 were \$208.3 million (2024 – \$208.2 million) or \$3.41 per unit (2024 – \$3.31 per unit).

Distributions payable at December 31, 2025 of \$17.9 million (\$0.2958 per unit), representing the December 2025 monthly distributions, were paid on January 15, 2026. Distributions payable at December 31, 2024 of \$17.8 million (\$0.2833 per unit), representing the December 2024 monthly distributions, were paid on January 15, 2025.

Subsequent to December 31, 2025, the distributions declared in January 2026 in the amount of \$17.9 million or \$0.2958 per unit were paid on February 13, 2026 and the distributions declared in February 2026 of \$0.2958 per unit will be paid on March 16, 2026.

11. UNITHOLDERS' EQUITY

(a) Units

Granite REIT is authorized to issue an unlimited number of units. Each unit is entitled to distributions as and when declared and, in the event of termination of Granite REIT, to the net assets of Granite REIT remaining after satisfaction of all liabilities.

(b) Unit-Based Compensation

Director/Trustee Deferred Share Unit Plan

The Trust has a Non-Employee Director Share-Based Compensation Plan (the "DSP") which provides for a deferral of up to 100% of each non-employee director's total annual remuneration, at specified levels elected by each director. The amounts deferred under the DSP are reflected by notional deferred share units ("DSUs") whose value at the time that the particular payment to the director is determined reflects the fair market value of a unit. The value of a DSU subsequently appreciates or depreciates with changes in the market price of the units. The DSP also provides for the accrual of notional distribution equivalents on any distributions paid on the units. On June 9, 2022, amendments were made to the DSP to allow, at the discretion of the Compensation, Governance and Nominating Committee (the "CGN Committee)" for the DSUs to be settled in cash or units, equal to the value of the accumulated DSUs at such date.

A reconciliation of the changes in the DSUs outstanding is presented below:

	2025		2024	
	Number (000s)	Weighted Average Grant Date Fair Value	Number (000s)	Weighted Average Grant Date Fair Value
DSUs outstanding, January 1	142	\$ 66.78	123	\$ 65.70
New grants and distributions	30	69.92	24	75.40
Settled	(24)	55.44	(5)	80.97
DSUs outstanding, December 31	148	\$ 69.28	142	\$ 66.78

Executive Deferred Unit Plan

As a result of the Arrangement described in note 1, Granite amended the Executive Stapled Unit Plan (the "Restricted Stapled Unit Plan") to the Executive Deferred Unit Plan (the "Restricted Unit Plan"), the Restricted Share Units ("RSUs") to Restricted Units ("RUs") and Performance Share Units ("PSUs") to Performance Units ("PUs").

The Restricted Unit Plan of the Trust provides for the issuance of RUs and PUs and is designed to provide equity-based compensation in the form of the units to executives and other employees (the "Participants"). The maximum number of units which may be issued pursuant to the Restricted Unit Plan is 1.0 million. The Restricted Unit Plan entitles a Participant to receive a unit or a cash payment equal to the market value of the unit, which on any date is the volume weighted average trading price of a unit on the Toronto Stock Exchange or New York Stock Exchange over the preceding five trading days. The form of redemption of the units is determined by the Compensation, Governance and Nominating Committee and is not at the option of the Participant. Vesting conditions in respect of a grant are determined by the Compensation, Governance and Nominating Committee at the time the grant is made and may result in the vesting of more or less than 100% of the number of units. The Restricted Unit Plan also provides for the accrual of distribution equivalent amounts based on distributions paid on the units. The units are, unless otherwise agreed or otherwise required by the Restricted Unit Plan, settled within 60 days following vesting.

A reconciliation of the changes in notional units outstanding under the Restricted Unit Plan is presented below:

	2025		2024	
	Number (000s)	Weighted Average Grant Date Fair Value	Number (000s)	Weighted Average Grant Date Fair Value
RUs and PUs outstanding, January 1	161	\$ 79.05	145	\$ 81.93
New grants and distributions ⁽¹⁾	126	69.28	83	75.34
Forfeited	(1)	82.46	(2)	79.63
PU's added by performance factor	–	–	7	73.84
Settled in cash	(33)	85.01	(36)	80.06
Settled in units	(34)	85.01	(36)	80.06
RUs and PUs outstanding, December 31⁽²⁾	219	\$ 71.56	161	\$ 79.05

⁽¹⁾ Includes 72.4 RUs and 42.9 PUs granted during the year ended December 31, 2025 (2024 – 42.8 RUs and 32.2 PUs).

⁽²⁾ Total units outstanding at December 31, 2025 include a total of 100.8 RUs and 117.8 PUs granted (2024 – 66.7 RUs and 93.9 PUs).

The fair value of the outstanding RUs was \$6.4 million at December 31, 2025 and is based on the market price of a unit. The fair value is adjusted for changes in the market price of a unit and recorded as a liability in the employee unit-based compensation payables (note 9).

The fair value of the outstanding PUs was \$7.9 million at December 31, 2025 and is recorded as a liability in the employee unit-based compensation payables (note 9). The fair value is calculated using the Monte-Carlo simulation model based on the assumptions below as well as a market adjustment factor based on the total unitholder return of the units relative to the S&P/TSX Capped REIT Index.

Grant date	January 1, 2025, January 1, 2024 and January 1, 2023
PU's outstanding	117,826
Weighted average term to expiry	1.1 years
Average volatility rate	14.3%
Weighted average risk free interest rate	2.4%

The Trust's unit-based compensation expense recognized in general and administrative expenses was:

Years ended December 31,	2025	2024
DSUs for trustees/directors ⁽¹⁾	\$ 3,799	\$ 906
Restricted Unit Plan for executives and employees	9,858	4,454
Unit-based compensation expense	\$ 13,657	\$ 5,360
Fair value remeasurement expense (recovery) included in the above:		
DSUs for trustees/directors	\$ 1,709	\$ (879)
Restricted Unit Plan for executives and employees	3,695	(247)
Total fair value remeasurement expense (recovery)	\$ 5,404	\$ (1,126)

⁽¹⁾ In respect of fees mandated and elected to be taken as DSUs.

(c) Normal Course Issuer Bid

On May 22, 2025, Granite announced the acceptance by the TSX of Granite's Notice of Intention to Make a Normal Course Issuer Bid ("NCIB"). Pursuant to the NCIB, Granite proposes to purchase through the facilities of the TSX and any alternative trading system in Canada, from time to time and if considered advisable, up to an aggregate of 6,060,162 of Granite's issued and outstanding units. The NCIB commenced on May 26, 2025 and will conclude on the earlier of the date on which purchases under the bid have been completed and May 25, 2026. Pursuant to the policies of the TSX, daily purchases made by Granite through the TSX may not exceed 27,099 units, subject to certain exceptions. Granite has entered into an automatic securities purchase plan with a broker in order to facilitate repurchases of the units under the NCIB during specified blackout periods. Pursuant to a previous notice of intention to conduct a NCIB, Granite received approval from the TSX to purchase units for the period May 24, 2024 to May 23, 2025.

During the year ended December 31, 2025, Granite repurchased 2,157,281 units at an average unit cost of \$67.01 for total consideration of \$144.6 million, excluding commissions and taxes on net repurchases of units. During the year ended December 31, 2024, Granite repurchased 667,300 units at an average unit cost of \$68.64 for total consideration of \$45.8 million, excluding commissions and taxes on net repurchases of units. The difference between the repurchase price and the average cost of the units of \$5.3 million was recorded to contributed surplus.

(d) Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of the following:

As at December 31,	2025	2024
Foreign currency translation gains on investments in subsidiaries, net of related hedging activities and non-controlling interests ⁽¹⁾	\$ 589,908	\$ 662,807
Fair value losses on derivatives designated as net investment hedges	(148,740)	(13,475)
	\$ 441,168	\$ 649,332

⁽¹⁾ Includes foreign currency translation gains and losses from non-derivative financial instruments designated as net investment hedges.

12. RENTAL REVENUE, RECOVERIES, COSTS AND EXPENSES

(a) Rental revenue consists of:

Years ended December 31,	2025	2024
Base rent	\$ 505,964	\$ 466,302
Straight-line rent amortization	9,044	11,843
Tenant incentive amortization	–	(54)
Property tax recoveries	63,731	57,745
Property insurance recoveries	6,643	7,340
Operating cost recoveries	32,509	25,467
	\$ 617,891	\$ 568,643

(b) Property operating costs consist of:

Years ended December 31,	2025	2024
Non-recoverable from tenants:		
Property taxes and utilities	\$ 5,277	\$ 1,196
Property insurance	1,172	735
Repairs and maintenance	2,918	413
Property management fees	415	390
Other	919	699
	\$ 10,701	\$ 3,433
Recoverable from tenants:		
Property taxes and utilities	\$ 69,987	\$ 66,875
Property insurance	7,149	7,475
Repairs and maintenance	14,032	12,665
Property management fees	6,055	5,473
Other	1,317	1,232
	\$ 98,540	\$ 93,720
Property operating costs	\$ 109,241	\$ 97,153

(c) General and administrative expenses consist of:

Years ended December 31,	2025	2024
Salaries, incentives and benefits	\$ 18,950	\$ 18,655
Audit, legal and consulting	4,640	4,186
Trustee/director fees including distributions, revaluations and expenses ⁽¹⁾	4,044	1,208
RU and PU compensation expense including distributions and revaluations ⁽¹⁾	9,858	4,454
Other public entity costs	2,502	2,605
Office rents including property taxes and common area maintenance costs	623	662
Capital tax expense (recovery)	390	(897)
Information technology costs	2,704	2,633
Corporate restructuring costs ⁽²⁾	–	3,471
Other	2,604	2,386
	\$ 46,315	\$ 39,363
Less: capitalized general and administrative expenses	(469)	(454)
	\$ 45,846	\$ 38,909

⁽¹⁾ For fair value remeasurement expense (recovery) amounts see note 11(b).

⁽²⁾ Corporate restructuring costs include costs associated with the uncoupling of the Trust's stapled unit structure.

(d) Interest expense and other financing costs consist of:

Years ended December 31,	2025	2024
Interest and amortized issuance costs relating to debentures and term loans	\$ 89,333	\$ 85,276
Amortization of deferred financing costs and other interest expense and charges	6,216	3,463
Interest expense related to lease obligations (note 8)	1,658	1,638
	\$ 97,207	\$ 90,377
Less: capitalized interest	(313)	(479)
	\$ 96,894	\$ 89,898

(e) Fair value (gains) losses on financial instruments, net, consist of:

Years ended December 31,	2025	2024
Foreign exchange collar contracts, net (note 16(a))	\$ (1,035)	\$ 1,979
Derivatives, net (note 7(c))	(68)	(7,145)
	\$ (1,103)	\$ (5,166)

For the year ended December 31, 2025, the net fair value gain on financial instruments of \$1.1 million is mainly comprised of net fair value gain of \$1.0 million on the foreign exchange collar contracts. The Trust partially employed or did not employ hedge accounting for the derivatives and foreign exchange collars, therefore the change in fair value is recognized in fair value gains on financial instruments, net, in the consolidated combined statement of net income.

For the year ended December 31, 2024, the net fair value gain on financial instruments of \$5.2 million was comprised of the net fair value gain on the derivatives of \$7.1 million which was associated with the fair value movements of 2024 Cross Currency Interest Rate Swap, the combination of the 2025 Term Loan and 2025 Interest Rate Swap, the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap and the December 2026 Cross Currency Interest Rate Swap, offset partially by the net fair value loss on the foreign exchange collar contracts of \$2.0 million. The Trust partially employed or did not employ hedge accounting for the derivatives and foreign exchange collars, therefore the change in fair value was recognized in fair value gains on financial instruments, net, in the consolidated combined statement of net income.

13. INCOME TAXES

(a) The major components of the income tax expense are:

Years ended December 31,	2025	2024
Current income tax:		
Current taxes	\$ 11,643	\$ 10,149
Current taxes referring to previous periods	(1,761)	(1,680)
Other	24	227
	\$ 9,906	\$ 8,696
Deferred income tax:		
Origination and reversal of temporary differences	\$ 25,691	\$ 25,131
Impact of changes in tax rates	(14,927)	(771)
Benefits arising from a previously unrecognized tax loss that reduced current tax expense	–	(54)
deferred tax expense	(976)	–
Withholding taxes on profits of subsidiaries	(81)	6
Deferred tax arising from the write-down, or reversal of a previous write-down, of a deferred tax asset	(1,901)	(527)
Other	783	(1,607)
	\$ 8,589	\$ 22,178
Income tax expense	\$ 18,495	\$ 30,874

For the year ended December 31, 2025, there was no current tax expense associated with the disposition of properties in the United States. For the year ended December 31, 2024, there were no property dispositions.

(b) The effective income tax rate reported in the consolidated combined statements of net income varies from the Canadian statutory rate for the following reasons:

Years ended December 31,	2025	2024
Income before income taxes	\$ 361,302	\$ 392,756
Expected income taxes at the Canadian statutory tax rate of 26.5% (2024 - 26.5%)	\$ 95,745	\$ 104,080
Income distributed and taxable to unitholders	(54,833)	(64,115)
Net foreign rate differentials	(3,196)	(5,785)
Net change in provisions for uncertain tax positions	(1,549)	(1,244)
Net permanent differences	165	889
Net effect of change in tax rates	(14,927)	(771)
Net change in non-recognition of deferred tax assets	(2,877)	(581)
Other	(33)	(1,599)
Income tax expense	\$ 18,495	\$ 30,874

(c) Deferred tax assets and liabilities consist of temporary differences related to the following:

As at December 31,	2025	2024
Deferred tax assets:		
Loss carryforwards	\$ 655	\$ 677
Other	(5)	(9)
Deferred tax assets	\$ 650	\$ 668
Deferred tax liabilities:		
Investment properties	\$ 606,593	\$ 597,258
Withholding tax on undistributed subsidiary profits	20	94
Other	(5,421)	(5,456)
Deferred tax liabilities	\$ 601,192	\$ 591,896

(d) Changes in the net deferred tax liabilities consist of the following:

Years ended December 31,	2025	2024
Balance, beginning of year	\$ 591,228	\$ 534,912
Deferred tax expense recognized in net income	8,589	22,178
Foreign currency translation of deferred tax balances	725	34,138
Net deferred tax liabilities, end of year	\$ 600,542	\$ 591,228

(e) Net cash payments of income taxes amounted to a payment of \$11.2 million for the year ended December 31, 2025 (2024 – \$8.3 million) which included net withholding taxes refunded of \$0.2 million (2024 – \$0.2 million net withholding taxes paid).

(f) The Trust conducts operations in a number of countries with varying statutory rates of taxation. Judgment is required in the estimation of income tax expense and deferred income tax assets and liabilities in each of the Trust’s operating jurisdictions. This process involves estimating actual current tax exposure, assessing temporary differences that result from the different treatments of items for tax and accounting purposes, assessing whether it is more likely than not that deferred income tax assets will be realized and, based on all the available evidence, determining if a provision is required on all or a portion of such deferred income tax assets. The Trust reports a liability for uncertain tax positions (“unrecognized tax benefits”) taken or expected to be taken in a tax return. The Trust recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

As at December 31, 2025, the Trust had \$8.1 million (2024 – \$8.9 million) of unrecognized income tax benefits, (including \$0.3 million (2024 – \$0.3 million) related to accrued interest and penalties), all of which could ultimately reduce the Trust’s effective tax rate should these tax benefits become recognized. The Trust believes that it has adequately provided for reasonably foreseeable outcomes related to tax examinations and that any resolution will not have a material effect on the consolidated combined financial position, results of operations, or cash flows. However, the Trust cannot predict with any level of certainty the exact nature of any future possible outcome.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

As at December 31,	2025	2024
Unrecognized tax benefits balance, beginning of year	\$ 8,884	\$ 9,795
Decreases for tax positions of prior years	(1,910)	(1,613)
Increases for tax positions of current year	428	494
Foreign currency impact	658	208
Unrecognized tax benefits balance, end of year	\$ 8,060	\$ 8,884

It is reasonably possible that the gross unrecognized tax benefits, as of December 31, 2025, could decrease in the next 12 months. The quantum of the decrease could range between a nominal amount and \$1.6 million (2024 – a nominal amount and \$1.7 million) and relates primarily to tax years becoming statute barred for purposes of future tax examinations by local taxing authorities and the outcome of current tax examinations. For the year ended December 31, 2025, a nominal amount of interest and penalties was recorded (2024 – a nominal amount) as part of the provision for income taxes in the consolidated combined statements of net income.

As at December 31, 2025, the following tax years remained subject to examination by the major tax jurisdictions:

Major Jurisdictions	
Canada	2021 through 2025
United States	2021 through 2025
Austria	2020 through 2025
Germany	2016 through 2025
Netherlands	2020 through 2025

As at December 31, 2025, the Trust has approximately \$186.9 million (2024 – \$179.0 million) of losses and other deductible temporary differences in various tax jurisdictions that the Trust believes are not probable to be realized. As a result, no deferred tax asset has been recognized for these losses and other deductible temporary differences as of December 31, 2025. Included in this number are Canadian capital loss carryforwards that do not expire of nil (2024 – nil).

The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognized as at December 31, 2025 is approximately \$162.7 million (2024 – approximately \$64.1 million).

14. SEGMENTED DISCLOSURES INFORMATION

The Trust has one reportable segment – the ownership and rental of industrial real estate as determined by the information reviewed by the chief operating decision maker who is the President and Chief Executive Officer. The following tables present certain information with respect to geographic segmentation:

Revenue

Years ended December 31,	2025		2024	
Canada	\$ 105,222	17 %	\$ 96,593	17 %
United States	341,333	55 %	314,179	55 %
Austria	79,301	13 %	73,521	13 %
Germany	44,715	7 %	41,050	7 %
Netherlands	47,871	8 %	43,796	8 %
United Kingdom	260	– %	–	– %
	\$ 618,702	100 %	\$ 569,139	100 %

For the year ended December 31, 2025, revenue from Magna International Inc. and its subsidiaries comprised approximately 23% (2024 – 24%) of the Trust's total revenue.

Investment Properties

As at December 31,	2025		2024	
Canada	\$ 2,126,956	22 %	\$ 2,111,977	22 %
United States	4,950,990	52 %	5,043,622	54 %
Austria	886,120	9 %	834,554	9 %
Germany	658,379	7 %	625,670	7 %
Netherlands	819,957	9 %	781,463	8 %
United Kingdom	36,047	1 %	–	– %
	\$ 9,478,449	100 %	\$ 9,397,286	100 %

15. DETAILS OF CASH FLOWS

(a) Items not involving operating cash flows are shown in the following table:

Years ended December 31,	2025	2024
Straight-line rent amortization	\$ (9,044)	\$ (11,843)
Tenant incentive amortization	–	54
Unit-based compensation expense (note 11(b))	13,657	5,360
Fair value losses (gains) on investment properties, net (note 4)	5,638	(53,037)
Depreciation and amortization	1,194	1,289
Fair value gains on financial instruments, net (note 12(e))	(1,103)	(5,166)
Loss on sale of investment properties	1,980	–
Amortization of issuance costs relating to debentures and term loans	3,020	2,421
Amortization of deferred financing costs	501	512
Deferred income tax expense (note 13(a))	8,589	22,178
Unrealized foreign exchange loss on the 2024 Term Loan ⁽¹⁾	–	15,383
Other	(77)	(19)
	\$ 24,355	\$ (22,868)

⁽¹⁾ Relates to the unrealized foreign exchange loss on the 2024 Term Loan which was not designated as a hedge of net investments in foreign operations from the period October 4, 2024 to December 19, 2024.

(b) Changes in working capital balances are shown in the following table:

Years ended December 31,	2025	2024
Accounts receivable	\$ 9,596	\$ (5,959)
Prepaid expenses and other	(1,364)	642
Accounts payable and accrued liabilities	6,448	(2,332)
Deferred revenue	7,442	(90)
	\$ 22,122	\$ (7,739)

(c) Non-cash investing and financing activities

For the year ended December 31, 2025, 34 thousand units (2024 – 36 thousand units) with a value of \$2.4 million (2024 – \$2.7 million) were issued under the Restricted Unit Plan (note 11(b)) and are not recorded in the consolidated combined statements of cash flows.

In addition, for the year ended December 31, 2025, the total impact from the foreign currency translations increasing unsecured debt and related derivatives by \$7.3 million is not recorded in the consolidated combined statement of cash flows. For the year ended December 31, 2024, the total impact from the foreign currency translations increasing unsecured debt and related derivatives by \$23.2 million was not recorded in the consolidated combined statement of cash flows.

(d) Cash and cash equivalents consist of:

As at December 31,	2025		2024	
Cash	\$	62,537	\$	126,175
Short-term deposits		77,054		–
	\$	139,591	\$	126,175

16. FAIR VALUE AND RISK MANAGEMENT

(a) Fair Value of Financial Instruments

The following table provides the measurement basis of financial assets and liabilities as at December 31, 2025 and 2024:

As at December 31,	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Other assets	\$ 209 ⁽¹⁾	\$ 209	\$ 264 ⁽¹⁾	\$ 264
Derivatives	8,226	8,226	57,375	57,375
Accounts receivable	8,775	8,775	18,347	18,347
Cash and cash equivalents	139,591	139,591	126,175	126,175
	\$ 156,801	\$ 156,801	\$ 202,161	\$ 202,161
Financial liabilities				
Unsecured debentures, net	\$2,991,204 ⁽²⁾	\$2,984,780	\$ 2,689,317	\$ 2,646,255
Unsecured term loans, net	80,404	80,404	389,136	389,136
Unsecured revolving credit facility	205,000	205,000	–	–
Derivatives	119,070 ⁽³⁾	119,070	32,298	32,298
Accounts payable and accrued liabilities	130,612 ⁽⁴⁾	130,612	99,074 ⁽⁴⁾	99,074
Distributions payable	17,918	17,918	17,762	17,762
	\$3,544,208	\$3,537,784	\$ 3,227,587	\$ 3,184,525

⁽¹⁾ Long-term receivables included in other assets (note 6).

⁽²⁾ Balance includes current and non-current portions of unsecured debentures (note 7(b)).

⁽³⁾ Balance includes current and non-current portions of derivative liabilities (note 7(c)).

⁽⁴⁾ As at December 31, 2025, foreign exchange collars of \$0.3 million (2024 - \$1.3 million) included in accounts payable and accrued liabilities (note 9).

The fair values of the Trust's accounts receivable, cash and cash equivalents, accounts payable and accrued liabilities and distributions payable approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments. The fair value of the long-term receivable included in other assets approximates its carrying amount as the receivable bears interest at rates comparable to current market rates. The fair values of the unsecured debentures are determined using quoted market prices. The fair values of the Credit Facility and term loans approximate their carrying amounts as the Credit Facility and term loans bear interest at rates comparable to the current market rates. The fair values of the derivatives and foreign exchange collars are determined using market inputs quoted by their counterparties.

The Trust periodically purchases foreign exchange collars to hedge specific anticipated foreign currency transactions and to mitigate its foreign exchange exposure on its net cash flows. At December 31, 2025, the Trust held 30 outstanding foreign exchange collar contracts with a notional value of €48.0 million and contracts the Trust to sell Euros and receive Canadian dollars if specific Euro exchange rates relative to the Canadian dollar are met. For the year ended December 31, 2025, the Trust recorded a net fair value gain of \$1.0 million related to the outstanding foreign exchange collar contracts (note 12(e)). The Trust did not employ hedge accounting for these financial instruments.

As at December 31, 2024, the Trust held 12 outstanding foreign exchange collar contracts with a notional value of US\$84.0 million and contracts the Trust to sell US dollars and receive Canadian dollars if specific US dollar exchange rates relative to the Canadian dollar are met. As at December 31, 2024, the Trust also held 12 outstanding foreign exchange collars contracts with a notional value of €24.0 million and contracts the Trust to sell Euros and receive Canadian dollars if specific Euro exchange rates relative to the Canadian dollar are met. For the year ended December 31, 2024, the Trust recorded a net fair value loss of \$2.0 million related to the outstanding foreign exchange collar contracts (note 12(e)). The Trust did not employ hedge accounting for these financial instruments.

(b) Fair Value Hierarchy

Fair value measurements are based on inputs of observable and unobservable market data that a market participant would use in pricing an asset or liability. IFRS Accounting Standards establishes a fair value hierarchy which is summarized below:

- Level 1: Fair value determined using quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value determined using significant observable inputs, generally either quoted prices in active markets for similar assets or liabilities or quoted prices in markets that are not active.
- Level 3: Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows or similar techniques.

The following tables represent information related to the Trust's assets and liabilities measured or disclosed at fair value on a recurring and non-recurring basis and the level within the fair value hierarchy in which the fair value measurements fall.

As at December 31, 2025	Level 1	Level 2	Level 3
ASSETS AND LIABILITIES MEASURED OR DISCLOSED AT FAIR VALUE			
Assets measured at fair value			
Investment properties (note 4)	\$ —	\$ —	\$ 9,478,449
Assets held for sale (note 5)	—	—	81,026
Derivatives (note 7)	—	8,226	—
Liabilities measured or disclosed at fair value			
Unsecured debentures, net (note 7)	2,984,780	—	—
Unsecured term loan, net (note 7)	—	80,404	—
Unsecured revolving credit facility (note 7)	—	205,000	—
Foreign exchange collars included in accounts payable and accrued liabilities (note 9)	—	295	—
Derivatives (note 7)	—	119,070	—
Net (liabilities) assets measured or disclosed at fair value	\$ (2,984,780)	\$ (396,543)	\$ 9,559,475

As at December 31, 2024	Level 1	Level 2	Level 3
ASSETS AND LIABILITIES MEASURED OR DISCLOSED AT FAIR VALUE			
Assets measured at fair value			
Investment properties (note 4)	\$ —	\$ —	\$ 9,397,286
Derivatives (note 7)	—	57,375	—
Liabilities measured or disclosed at fair value			
Unsecured debentures, net (note 7)	2,646,255	—	—
Unsecured term loans, net (note 7)	—	389,136	—
Foreign exchange collars included in accounts payable and accrued liabilities (note 9)	—	1,329	—
Derivatives (note 7)	—	32,298	—
Net (liabilities) assets measured or disclosed at fair value	\$ (2,646,255)	\$ (365,388)	\$ 9,397,286

For assets and liabilities that are measured at fair value on a recurring basis, the Trust determines whether transfers between the levels of the fair value hierarchy have occurred by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the years ended December 31, 2025 and 2024, there were no transfers between the levels.

Refer to note 4, Investment Properties, for a description of the valuation technique and inputs used in the fair value measurement and for a reconciliation of the fair value measurements of investment properties and assets held for sale which are recognized in Level 3 of the fair value hierarchy.

(c) Risk Management

The main risks arising from the Trust's financial instruments are credit, interest rate, foreign exchange and liquidity risks. The Trust's approach to managing these risks is summarized below:

(i) Credit risk

The Trust's financial assets that are exposed to credit risk consist primarily of cash and cash equivalents and accounts receivable.

Cash and cash equivalents include short-term investments, such as term deposits, which are invested in governments and financial institutions with a minimum credit rating of BBB+ (based on Standard & Poor's ("S&P") rating scale). Concentration of credit risk is further reduced by limiting the amount that is invested in any one government or financial institution according to its credit rating.

Magna International Inc. and its subsidiaries accounted for approximately 23% of the Trust's rental revenue during the year ended December 31, 2025. Although its operating subsidiaries are not individually rated, Magna International Inc. has an investment grade credit rating from Moody's, S&P and Morningstar DBRS which mitigates the Trust's credit risk with respect to this tenant. Substantially all of the Trust's accounts receivable are collected within 30 days. The balance of accounts receivable past due is not significant.

(ii) Interest rate risk

As at December 31, 2025, the Trust's exposure to interest rate risk is limited. Approximately 82% of the Trust's interest bearing debt consists of fixed rate debt in the form of the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, the October 2029 Debentures, the 2030 Debentures and the 2031 Debentures. After taking into account the related derivatives where applicable, the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, the October 2029 Debentures, the 2030 Debentures and the 2031 Debentures have effective fixed interest rates of 2.964%, 1.004%, 4.929%, 3.494%, 1.045% and 4.348%, respectively. The remaining 18% of the Trust's interest bearing debt consists of variable rate debt in the form of the September 2026 Term Loan, the December 2026 Debentures and the borrowings on the Credit Facility. After taking into account the related derivatives, the September 2026 Term Loan and the December 2026 Debentures have effective fixed interest rates of 4.333% and 0.270%, respectively. As a result, a small percentage of the Trust's debt is exposed to variable interest rate risk.

(iii) Foreign exchange risk

As at December 31, 2025, the Trust is exposed to foreign exchange risk primarily in respect of movements in the Euro and the US dollar. The Trust is structured such that its foreign operations are primarily conducted by entities with a functional currency which is the same as the economic environment in which the operations take place. As a result, the net income impact of currency risk associated with financial instruments is limited as its financial assets and liabilities are generally denominated in the functional currency of the subsidiary that holds the financial instrument. However, the Trust is exposed to foreign currency risk on its net investment in its foreign currency denominated operations and certain Trust level foreign currency denominated assets and liabilities. At December 31, 2025, the Trust's foreign currency denominated net assets are \$6.8 billion primarily in US dollars and Euros. A 1% change in the US dollar and Euro exchange rates relative to the Canadian dollar

would result in a gain or loss of approximately \$46.4 million and \$21.7 million, respectively, to comprehensive income.

Granite generates rental income that is not all denominated in Canadian dollars. Since the financial results are reported in Canadian dollars, the Trust is subject to foreign currency fluctuations that could, from time to time, have an impact on the operating results. For the year ended December 31, 2025, a 1% change in the US dollar and Euro exchange rates relative to the Canadian dollar would have impacted revenue by approximately \$3.4 million and \$1.7 million, respectively.

For the year ended December 31, 2025, the Trust has designated its derivatives relating to the unsecured debentures of \$1.8 billion and the combination of unsecured term loan and its related derivative of \$80.4 million as hedges of its net investment in the European operations (note 7(c)). Furthermore, the Trust has designated its derivatives relating to the \$650.0 million of unsecured debentures as hedges of its net investment in the United States operations (note 7(c)).

(iv) Liquidity risk

Liquidity risk is the risk the Trust will encounter difficulties in meeting its financial obligations as they become due. The Trust may also be subject to the risks associated with debt financing, including the risk that the unsecured debentures, term loan and Credit Facility may not be refinanced. The Trust's objectives in minimizing liquidity risk are to maintain prudent levels of leverage on its investment properties, maintaining ample capacity on its Credit Facility, staggering its debt maturity profile and maintaining an investment grade credit rating. In addition, the Declaration of Trust establishes certain debt ratio limits.

The estimated contractual maturities of the Trust's financial liabilities are summarized below:

As at December 31, 2025	Payments due by year						
	Total	2026	2027	2028	2029	2030	Thereafter
Unsecured debentures	\$ 3,000,000	\$ 300,000	\$ 500,000	\$ 500,000	\$ 650,000	\$ 500,000	\$ 550,000
Unsecured term loan	80,448	80,448					
Unsecured revolving credit facility	205,000					205,000	
Derivatives	119,070	23,954		34,688	60,428		
Interest payments ⁽¹⁾ :							
Unsecured debentures, net of derivatives	325,849	82,439	73,976	66,405	49,809	29,306	23,914
Unsecured term loan, net of derivative	2,731	2,731					
Accounts payable and accrued liabilities	130,612	124,795	3,870	1,947			
Distributions payable	17,918	17,918					
	\$ 3,881,628	\$ 632,285	\$ 577,846	\$ 603,040	\$ 760,237	\$ 734,306	\$ 573,914

⁽¹⁾ Represents aggregated interest expense expected to be paid over the term of the debt, on an undiscounted basis, based on actual current interest rates and average foreign exchange rates.

17. CAPITAL MANAGEMENT

The Trust's capital structure comprises the total of the unitholders' equity and debt. The total managed capital of the Trust is summarized below:

As at December 31,	2025	2024
Unsecured debentures, net	\$ 2,991,204	\$ 2,689,317
Unsecured term loans, net	80,404	389,136
Unsecured revolving credit facility	205,000	–
Derivative liabilities (assets), net ⁽¹⁾	110,844	(25,077)
Total debt	3,387,452	3,053,376
Unitholders' equity	5,509,006	5,728,236
Total managed capital	\$ 8,896,458	\$ 8,781,612

⁽¹⁾ Balance represents the net amount of derivative assets and liabilities (note 7(c)).

The Trust manages, monitors and adjusts its capital balances in response to the availability of capital, economic conditions and investment opportunities with the following objectives in mind:

- Compliance with investment and debt restrictions pursuant to the Amended and Restated Declaration of Trust;
- Compliance with existing debt covenants;
- Maintaining an investment grade credit rating;
- Supporting the Trust's business strategies including ongoing operations, property development and acquisitions;
- Optimizing the Trust's weighted average cost of capital;
- Generating stable and growing cash distributions; and
- Building long-term unitholder value.

The Amended and Restated Declaration of Trust contains certain provisions with respect to capital management which include:

- The Trust shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the Trust would be more than 65% of the Gross Book Value (as defined in the Amended and Restated Declaration of Trust); and
- The Trust shall not invest in raw land for development, except for (i) existing properties with additional development, (ii) the purpose of renovating or expanding existing properties or (iii) the development of new properties, provided that the aggregate cost of the investments of the Trust in raw land, after giving effect to the proposed investment, will not exceed 15% of Gross Book Value.

At December 31, 2025, the Trust's consolidated combined debt consists of the unsecured debentures, the unsecured term loan and the Credit Facility, each of which have various financial covenants. These covenants are defined within the trust indenture, the term loan agreement and the Credit Facility agreement and, depending on the debt instrument, include a total indebtedness ratio, a secured indebtedness ratio, an interest coverage ratio, an unencumbered asset ratio, and a minimum equity threshold. These covenants are tested

quarterly for compliance and the Trust was in compliance with their respective requirements as at December 31, 2025 and 2024.

Distributions are made at the discretion of the Board of Trustees (the "Board") and Granite REIT intends to distribute each year all of its taxable income pursuant to its Amended and Restated Declaration of Trust as calculated in accordance with the Income Tax Act. For the fiscal year 2025, the Trust declared a monthly distribution of \$0.2833 per unit from January to November and a monthly distribution of \$0.2958 per unit for the month of December. The Board determines monthly distribution levels having considered, among other factors, estimated 2025 and 2026 cash generated from operations and capital requirements, the alignment of its current and targeted payout ratios with the Trust's strategic objectives and compliance with the above noted financial covenants.

18. RELATED PARTY TRANSACTIONS

For the years ended December 31, 2025 and 2024, key management personnel include the Trustees/Directors, the President and Chief Executive Officer, the Chief Financial Officer, the Executive Vice President, Head of Global Real Estate, the Executive Vice President, Global Real Estate and Head of Investments and the Executive Vice President, General Counsel. Information with respect to the Trustees'/Directors' fees is included in notes 11(b) and 12(c). The compensation paid or payable to the Trust's key management personnel was as follows:

Years ended December 31,	2025	2024
Salaries, incentives and short-term benefits	\$ 6,165	\$ 5,383
Unit-based compensation expense including fair value adjustments ..	5,592	2,807
	\$ 11,757	\$ 8,190

19. COMMITMENTS AND CONTINGENCIES

(a) The Trust is subject to various legal proceedings and claims that arise in the ordinary course of business. Management evaluates all claims with the advice of legal counsel. Management believes these claims are generally covered by Granite's insurance policies and that any liability from remaining claims is not probable to occur and would not have a material adverse effect on the consolidated combined financial statements. However, actual outcomes may differ from management's expectations.

(b) As at December 31, 2025, the Trust's contractual commitments totaled \$51.4 million which are primarily comprised of costs to complete its ongoing construction and development projects.

(c) In connection with the acquisitions of investment properties located in Palmetto, Georgia on November 12, 2020 and in Locust Grove, Georgia on March 12, 2021, \$133.2 million (US\$97.1 million) of bonds were assumed. The authorized amount of the bonds is \$142.6 million (US\$104.0 million), of which \$57.9 million (US\$42.2 million) was outstanding as at December 31, 2025. The bonds provide for a real estate tax abatement for the acquired investment properties. Through a series of transactions, the Trust is both the bondholder and the obligor of the bonds. Therefore, in accordance with IAS 32, the bonds are not recorded in the consolidated combined balance sheets.

The Trust is involved, in the normal course of business, in discussions, and has various letters of intent or conditional agreements, with respect to possible acquisitions of new properties and dispositions of existing properties in its portfolio. None of these potential commitments or contingencies, individually or in aggregate, would have a material impact on the consolidated combined financial statements.

20. SUBSEQUENT EVENTS

(a) Subsequent to December 31, 2025, the Trust declared distributions for January 2026 of \$17.9 million or \$0.2958 per unit and distributions for February 2026 of \$0.2958 per unit (note 10).

(b) On January 22, 2026, the Trust amended its Credit Facility to extend the maturity date from March 31, 2030 to January 22, 2031.

(c) On January 30, 2026, the Trust completed the disposition of an income-producing property in the Netherlands that was classified as held for sale as at December 31, 2025, for gross proceeds of \$37.6 million (€23.4 million).

(d) On February 13, 2026, Granite LP prepaid the remaining €50.0 million aggregate principal amount of the September 2026 Term Loan with no prepayment penalty. In conjunction with the prepayment, the remaining €50.0 million portion of the September 2026 Interest Rate Swap was also terminated and the related mark to market liability was settled.

Board of Trustees

Kelly Marshall
Chairman

Peter Aghar
Trustee

Robert D. Brouwer
Trustee

Amber Choudhry
Trustee

Remco Daal
Trustee

Kevan Gorrie
Trustee

Fern Grodner
Trustee

Jonathan Kelly
Trustee

Al Mawani
Trustee

Sheila Murray
Trustee

Emily Pang
Trustee

Jennifer Warren
Trustee

Officers

Kevan Gorrie
President and Chief Executive Officer

Teresa Neto
Chief Financial Officer

Lorne Kumer
*Executive Vice President,
Head of Global Real Estate*

Michael Ramparas
*Executive Vice President,
Global Real Estate and
Head of Investments*

Lawrence Clarfield
*Executive Vice President,
General Counsel and
Corporate Secretary*

Office Location

77 King Street West
Suite 4010, P.O. Box 159
Toronto-Dominion Centre
Toronto, ON M5K 1H1
Phone: (647) 925-7500
Fax: (416) 861-1240

Investor Relations Queries

Kevan Gorrie
President and Chief Executive Officer
(647) 925-7500

Teresa Neto
Chief Financial Officer
(647) 925-7560

Transfer Agents and Registrars

Canada
Odyssey Trust Company
Trader's Bank Building
1100 - 67 Yonge Street
Toronto, Ontario, Canada M5E 1J8
Phone: 1-888-290-1175
www.odysseytrust.com

United States
Odyssey Transfer and Trust Company
2155 Woodlane Drive, Suite 100
Woodbury, Minnesota, USA 55125

Exchange Listings

Units Toronto Stock Exchange (GRT.UN)

Please refer to our website (www.granitereit.com) for information on Granite's compliance with the corporate governance standards and applicable Canadian standards and guidelines.

Publicly Available Documents

Copies of the financial statements for the year ended December 31, 2025 are available through the Internet on the System for Electronic Data Analysis and Retrieval Plus (SEDAR+), which can be accessed at www.sedarplus.ca. Other required securities filings can also be found on SEDAR+.



Granite REIT

77 King Street West
Suite 4010, P.O. Box 159
Toronto-Dominion Centre
Toronto, ON M5K 1H1
Phone: (647) 925-7500
Fax: (416) 861-1240
www.granitereit.com