



Third Quarter Report
2025

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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 condensed consolidated combined operating results, financial condition, liquidity and cash flows of Granite REIT and its subsidiaries (collectively "Granite" or the "Trust") for the three and nine months ended September 30, 2025. Unless otherwise noted, all amounts are in millions of Canadian dollars. This MD&A should be read in conjunction with the accompanying unaudited condensed consolidated combined financial statements for the three and nine months ended September 30, 2025 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 November 5, 2025 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 2024 and dated February 26, 2025, can be obtained from the Trust's website at www.granitereit.com, on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

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 trade 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".

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 September 30,		Nine Months Ended September 30,	
(in millions, except as noted)	2025	2024	2025	2024
Operating highlights				
Revenue	\$153.0	\$141.9	\$456.9	\$421.1
Net operating income ("NOI")	127.1	119.6	376.2	350.8
NOI - cash basis ⁽¹⁾	124.7	116.2	368.7	341.2
Constant currency same property NOI - cash basis ⁽¹⁰⁾	5.2 %	6.2 %	4.8 %	4.2 %
Net income attributable to unitholders	68.0	111.6	206.9	276.9
FFO ⁽¹⁾	89.9	85.2	266.4	251.2
AFFO ⁽¹⁾	77.0	76.6	240.5	228.4
Cash provided by operating activities	122.0	106.7	303.7	267.4
Monthly distributions paid	51.5	51.8	156.6	156.1
FFO payout ratio ⁽¹⁾⁽²⁾	57 %	61 %	59 %	62 %
AFFO payout ratio ⁽¹⁾⁽²⁾	67 %	68 %	65 %	68 %
Per unit amounts				
Diluted FFO ⁽¹⁾	\$1.48	\$1.35	\$4.32	\$3.97
Diluted AFFO ⁽¹⁾	\$1.26	\$1.22	\$3.90	\$3.61
Monthly distributions paid	\$0.85	\$0.83	\$2.55	\$2.48
Diluted weighted average number of units	60.9	63.0	61.6	63.3

As at September 30, 2025 and December 31, 2024	2025	2024
Financial highlights		
Investment properties - fair value	\$9,102.5	\$9,397.3
Assets held for sale ⁽⁹⁾	370.7	—
Cash and cash equivalents	127.9	126.2
Total debt ⁽³⁾	3,335.5	3,087.8
Trading price per unit (TSX: GRT.UN)	\$77.21	\$69.24
Debt metrics, ratings and outlook		
Net leverage ratio ⁽¹⁾	35 %	32 %
Interest coverage ratio ⁽¹⁾	5.1x	5.3x
Indebtedness ratio (total debt to adjusted EBITDA) ⁽¹⁾	7.3x	7.1x
Weighted average cost of debt ⁽⁴⁾	2.70 %	2.74 %
Weighted average debt term-to-maturity, in years ⁽⁴⁾	3.6	4.3
Morningstar DBRS rating and outlook	BBB (high) stable	BBB (high) stable
Property metrics		
Number of investment properties	140	143
Income-producing properties	134	138
Development properties ⁽⁷⁾	6	5
Gross leasable area ("GLA"), square feet	60.9	63.3
Occupancy, by GLA	96.8 %	94.9 %
Committed occupancy, by GLA ⁽⁸⁾	97.1 %	95.0 %
Magna as a percentage of annualized revenue ⁽⁵⁾	27 %	26 %
Magna as a percentage of GLA	20 %	19 %
Weighted average lease term in years, by GLA	5.5	5.7
Overall capitalization rate ⁽⁶⁾	5.6 %	5.3 %
⁽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, <i>Leases</i>. ⁽⁴⁾ Excludes lease obligations recognized under IFRS 16, <i>Leases</i>. ⁽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 November 5, 2025. ⁽⁹⁾ Assets held for sale are excluded from investment properties and related property metrics. Accordingly, six such assets that were held for sale as at September 30, 2025 were excluded from investment properties and related metrics as at September 30, 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 nine months ended September 30, 2025, Granite acquired two income-producing properties in the United States.

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⁾	Stabilized Yield ⁽¹⁾
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 %
		0.1			\$49.5	5.0 %

(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.

Assets Held for Sale

As at September 30, 2025, six 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 \$370.7 million, are classified as assets held for sale on the unaudited condensed consolidated combined balance sheet as at September 30, 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 September 30, 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 September 30, 2025:

Commitments (in millions, except as noted)					
Property Location	Additional sq ft	Accruals/ Payments/ Deposits Made	Future Commitments ⁽¹⁾	Total Cost	Year-One Stabilized Yield ⁽²⁾
As at September 30, 2025:					
Development and construction:					
Site plan approval for a development in Brantford, ON	0.7	4.8	1.1	5.9	N/A
Site plan approval and site infrastructure for developments in Houston, TX	0.7	1.3	3.1	4.4	N/A
Property under development in Houston, TX	0.4	7.1	55.4	62.5	7.5 %
Other construction commitments	–	2.4	4.1	6.5	N/A
	1.8	\$ 15.6	\$ 63.7	\$ 79.3	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").

During the third 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 finalized design and site plan approvals, and continued site infrastructure and grading work 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.

Subsequent Events

Increase in Distributions

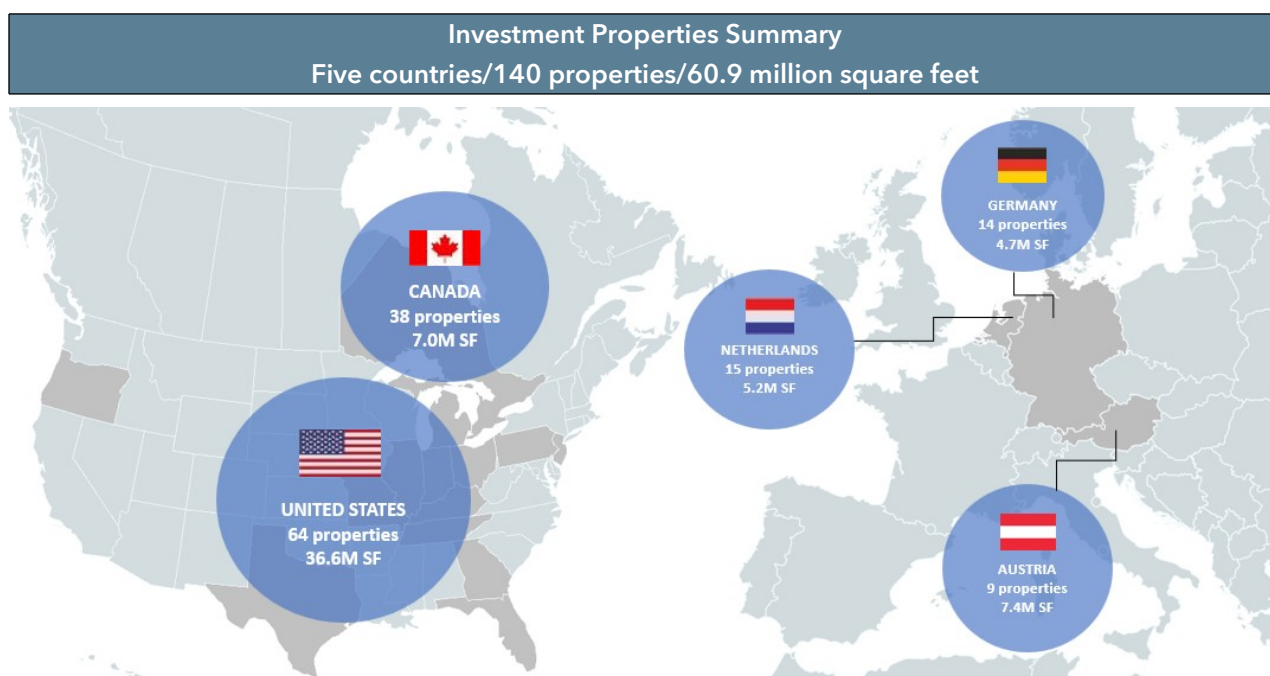
On November 5, 2025, Granite increased its targeted annualized distribution by 4.41% to \$3.55 (\$0.2958 per month) per unit from \$3.40 (\$0.2833 per month) per unit to be effective upon the declaration of the distribution in respect of the month of December 2025 and payable in mid-January 2026.

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 November 5, 2025, Granite owns 140 investment properties in five countries having approximately 60.9 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 ("C\$"), the Euro ("€") and the US dollar ("US\$"). Granite's investment properties by geographic location, property count and square footage as at November 5, 2025 are summarized below:



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 has positioned itself financially 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 the remainder of 2025, its priorities are set out below:

- Driving FFO and net asset value ("NAV") per unit growth 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 strategic land and income-producing property acquisition opportunities in target markets while disposing of select non-core 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 established targets and compliance requirements.

2025 OUTLOOK

Granite is increasing its 2025 guidance and narrowing the ranges relative to estimates presented at the commencement of the year on February 26, 2025 and subsequently on August 6, 2025. Granite's current outlook reflects lease renewals and new leasing of vacant space completed year-to-date which have increased overall NOI estimates including constant currency same property NOI - cash basis estimates. The current outlook reflects the acquisition of the Florida properties completed June 30, 2025, but does not include any assumption for potential property dispositions. In addition, the current outlook reflects year-to-date financing and NCIB activity completed in the first half of 2025, and embeds the year to date positive impact to FFO of a weaker Canadian dollar relative to the Euro and U.S. dollar. Granite's FFO per unit forecast represents an approximate 7% to 9% increase over 2024 and the AFFO per unit forecast represents an approximate 4% to 5% increase over 2024, partially impacted by higher maintenance capital expenditures relative to the prior year.

The high and low ranges of Granite's forecast are impacted by foreign currency exchange rate assumptions for the three-month forecast period only, between October and December 2025, which have been modified relative to guidance provided on February 26, 2025, May 7, 2025 and August 6, 2025, reflecting a weakening of the Canadian dollar relative to both the Euro and the U.S. dollar.

The table below outlines Granite's current forecast for the year ending December 31, 2025:

Measure	Current	Previously Published August 6, 2025
EUR:CAD exchange rate ⁽¹⁾	1.59 to 1.63	1.56 to 1.61
USD:CAD exchange rate ⁽¹⁾	1.38 to 1.41	1.35 to 1.39
FFO per unit	\$5.83 to \$5.90	\$5.75 to \$5.90
AFFO per unit	\$5.03 to \$5.10	\$4.90 to \$5.05
Maintenance capital expenditures, tenant allowances and leasing commissions impacting AFFO	no change	\$40.0 million
Constant currency same property NOI - cash basis, four quarter average	5.4% to 6.2%	5.0% to 6.5%

⁽¹⁾ Foreign exchange rate assumptions pertain to forecast period only of the respective outlook.

Granite's 2025 forecast assumes no incremental acquisitions and dispositions, and 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 2025 forecast above (see "NON-GAAP PERFORMANCE MEASURES"). See also "FORWARD-LOOKING STATEMENTS".

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 TCFD⁴. Data provided herein has been reviewed by a third-party ESG+R consultant and represents a snapshot of current performance.

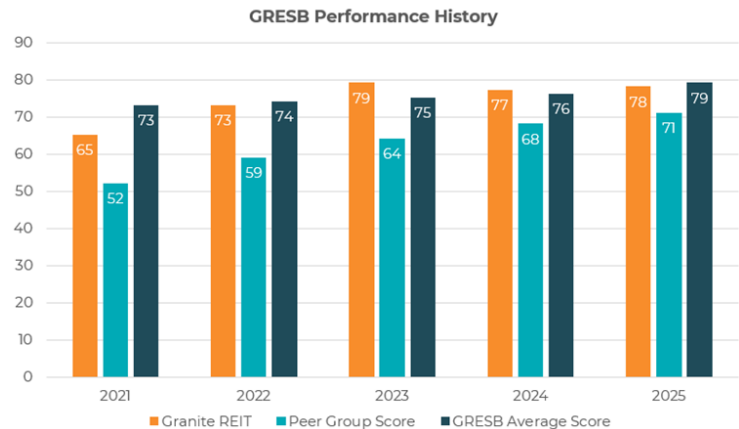
¹ Sustainability Accounting Standards Board

² Global Real Estate Sustainability Benchmarking

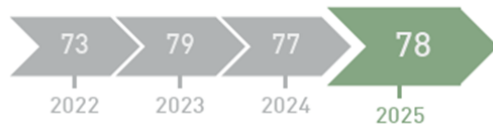
³ Global Reporting Initiative

⁴ Task Force on Climate-related Financial Disclosures

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



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 properties⁵;

⁵ 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 updated target to support the production of new renewable energy through the installation of on-site solar PV systems with the capacity to generate 24 MW of electricity by 2025⁶. Solar PV systems with peak generation capacity of 49.82 MW are currently operational on Granite properties. Granite upgraded its target in 2024 to reach 50 MW of peak solar capacity by the end of 2025;
- Four 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, 2024, Granite has allocated \$1.2 billion (85.2%) of green bond net proceeds to Eligible Green Projects under its Green Bond Framework;
- In the first quarter of 2025, Granite sent all 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, 58.5% by floor area, or 46.4% by income-producing property count, including assets held for sale, 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
Aquamarijnweg 2 & 4	0.2	Bleiswijk, Netherlands	BREEAM New Construction	Very Good

⁶ Onsite solar projects were installed at a total of 17 Granite assets, including assets held for sale, as at September 30, 2025.

Property	Size (Sq ft) in millions	Location	Certification Type	Level
De Kroonstrat 1 (Phase 1), De Poosthoornstraat 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
3090 State Highway 42	1.0	Locust Grove, GA	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
501 Airtech Pkwy.	0.5	Plainfield, IN	IREM Certified Sustainable Property	Certified
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
1451 Allpoints Court	0.5	Plainfield, 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

Property	Size (Sq ft) in millions	Location	Certification Type	Level
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
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
1901 Beggrow St.	0.8	Columbus, 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
8779 LeSaint Drive	0.3	Hamilton, 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

Property	Size (Sq ft) in millions	Location	Certification Type	Level
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
Total	37.0			
% of GLA (including assets held for sale)	58.5 %			

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;
- Granite contributes at least 500 local currency (USD/CAD/EUR) per income-producing property in its portfolio toward charitable donations. In 2024, Granite contributed a total of \$182,000 to charities, including \$74,500 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 2024, Granite's global staff logged 1,385 hours, and Granite invested an average of \$1,232, per employee, on training and education, supporting the personal and professional development of Granite's employees; and
- In 2024 and 2025, Granite was selected as one of Canada's Top Small and Medium Employers by Mediacorp Canada. This recognition is 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 2024, with a score of 90 out of 100, Granite ranked 36th and the second top real estate entity in the Globe & Mail Board Games governance ranking, out of a total of 215 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;
- 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 unaudited condensed consolidated combined statements of net income for the three and nine months ended September 30, 2025 and 2024, respectively:

Net Income						
(in millions, except as noted)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	\$ change	2025	2024	\$ change
Rental revenue	\$ 153.0	\$ 141.9	11.1	\$ 456.1	\$ 420.6	35.5
Lease termination and close-out fees	—	—	—	0.8	0.5	0.3
Revenue	153.0	141.9	11.1	456.9	421.1	35.8
Property operating costs	25.9	22.3	3.6	80.7	70.3	10.4
Net operating income	127.1	119.6	7.5	376.2	350.8	25.4
General and administrative expenses	14.1	13.2	0.9	32.6	30.6	2.0
Depreciation and amortization	0.3	0.3	—	0.9	1.0	(0.1)
Interest income	(0.7)	(1.2)	0.5	(2.4)	(3.7)	1.3
Interest expense and other financing costs	24.5	22.3	2.2	72.1	66.1	6.0
Foreign exchange (gains) losses, net	(0.1)	0.9	(1.0)	1.0	0.5	0.5
Fair value losses (gains) on investment properties, net	34.6	(42.6)	77.2	66.1	(54.5)	120.6
Fair value losses on financial instruments, net	0.9	2.9	(2.0)	—	7.4	(7.4)
Income before income taxes	53.5	123.8	(70.3)	205.9	303.4	(97.5)
Income tax (recovery) expense	(14.5)	12.0	(26.5)	(1.2)	26.3	(27.5)
Net income	\$ 68.0	\$ 111.8	(43.8)	\$ 207.1	\$ 277.1	(70.0)
Net income attributable to:						
Unitholders	68.0	111.6	(43.6)	206.9	276.9	(70.0)
Non-controlling interests	—	0.2	(0.2)	0.2	0.2	—
	\$ 68.0	\$ 111.8	(43.8)	\$ 207.1	\$ 277.1	(70.0)

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 U.S. dollars. Accordingly, fluctuations in the Canadian dollar, Granite's reporting currency, relative to the Euro and U.S. 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 September 30,			Nine Months Ended September 30,			September 30,	December 31,	
	2025	2024	Change	2025	2024	Change	2025	2024	Change
\$ per €1.00	1.609	1.498	7%	1.564	1.479	6%	1.634	1.491	10%
\$ per US\$1.00	1.377	1.364	1%	1.398	1.360	3%	1.393	1.440	(3)%

For the three and nine months ended September 30, 2025 compared to the prior year periods, the average exchange rates of the Euro and the U.S. dollar 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 and U.S. operations.

The period end exchange rate of the Euro relative to the Canadian dollar on September 30, 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 U.S. dollar relative to the Canadian dollar on September 30, 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 and nine months ended September 30, 2025 was as follows:

Effects of Changes in Exchange Rates on Operating Results

	Three Months Ended September 30,	Nine Months Ended September 30,
(in millions, except per unit information)	2025 vs 2024	2025 vs 2024
Increase in revenue	\$ 4.6	\$ 16.3
Increase in NOI - cash basis ⁽¹⁾	4.2	13.9
Increase in net income	2.2	7.0
Increase in FFO ⁽¹⁾	2.2	8.7
Increase in AFFO ⁽¹⁾	2.1	8.4
Increase in FFO ⁽¹⁾ per unit	\$0.04	\$0.14
Increase in AFFO ⁽¹⁾ per unit	\$0.04	\$0.14

⁽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

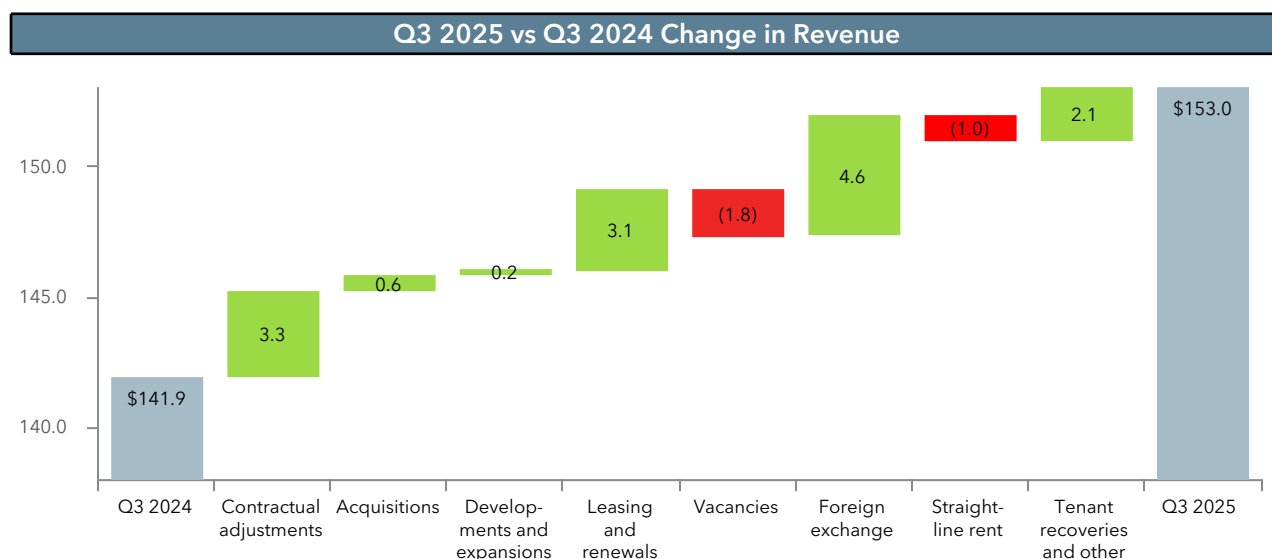
Revenue

Revenue

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	\$ change	2025	2024	\$ change
Rental revenue and amortization ⁽¹⁾	\$ 128.7	\$ 120.9	7.8	\$ 380.1	\$ 355.2	24.9
Tenant recoveries	24.3	21.0	3.3	76.0	65.4	10.6
Lease termination and close-out fees	—	—	—	0.8	0.5	0.3
Revenue	\$ 153.0	\$ 141.9	11.1	\$ 456.9	\$ 421.1	35.8

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

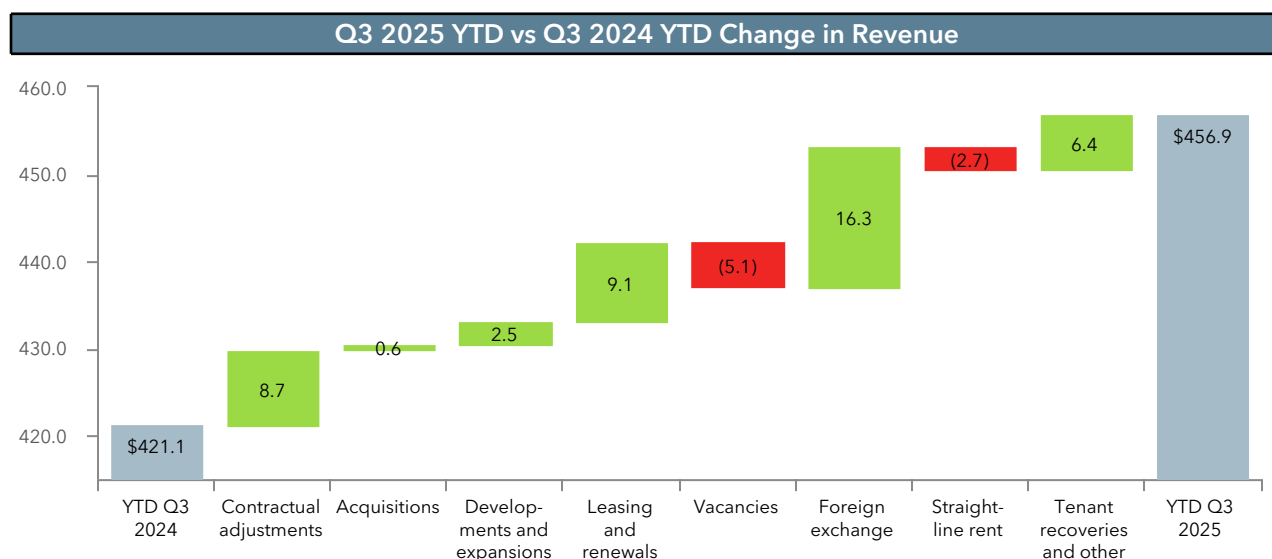
Revenue for the three month period ended September 30, 2025 increased by \$11.1 million to \$153.0 million from \$141.9 million in the prior year period. The components contributing to the change in revenue are detailed below:



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 \$2.8 million from fixed contractual adjustments primarily in the United States and Canada related to rent escalations;
- the acquisition of two income-producing properties in the United States increased revenue by \$0.6 million (see “SIGNIFICANT MATTERS - Property Acquisitions”);
- the lease commencement of two expansion projects in Canada and Netherlands increased revenue by \$0.2 million;
- revenue increased by \$3.1 million due to renewal and re-leasing activities for properties primarily in Canada and the United States;
- vacancies at five properties in the United States, Canada and Netherlands decreased revenue by \$1.8 million;
- foreign exchange had a net \$4.6 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 \$3.2 million and \$1.4 million, respectively; and
- straight-line rent, and tenant recoveries and other decreased revenue by \$1.0 million and increased revenue by \$2.1 million, respectively.

Revenue for the nine month period ended September 30, 2025 increased by \$35.8 million to \$456.9 million from \$421.1 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 \$1.9 million from consumer price index based increases in Canada and Europe and \$6.8 million from fixed contractual adjustments primarily in the United States and Canada related to rent escalations;
- the acquisitions of two income-producing properties in the United States increased revenue by \$0.6 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 \$2.5 million;
- revenue increased by \$9.1 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 \$5.1 million;
- foreign exchange had a net \$16.3 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 \$7.1 million and \$9.2 million, respectively; and
- straight-line rent, and tenant recoveries and other decreased revenue by \$2.7 million and increased revenue by \$6.4 million, respectively.

Net Operating Income

Net operating income ("NOI") during the three months ended September 30, 2025 was \$127.1 million compared to \$119.6 million during the three months ended September 30, 2024. NOI for the nine months ended September 30, 2025 was \$376.2 million compared to \$350.8 million for the nine months ended September 30, 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. NOI - cash basis was \$124.7 million in the three months ended

September 30, 2025 compared with \$116.2 million in the prior year period, an increase of 7.3%. NOI - cash basis was \$368.7 million in the nine month period ended September 30, 2025 compared with \$341.2 million in the prior year period, an increase of 8.1%.

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. Same property NOI - cash basis for the three months ended September 30, 2025 was \$119.1 million, compared with \$109.9 million in the prior year period. Same property NOI - cash basis in the nine month period ended September 30, 2025 was \$346.1 million, compared with \$319.9 million in the prior year period. 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 September 30,				Sq ft ⁽¹⁾ (in millions)	Nine Months Ended September 30,			
		2025	2024	\$ change	% change		2025	2024	\$ change	% change
Revenue		\$ 153.0	\$ 141.9	11.1			\$ 456.9	\$ 421.1	35.8	
Less: Property operating costs		25.9	22.3	3.6			80.7	70.3	10.4	
NOI		\$ 127.1	\$ 119.6	7.5	6.3%		\$ 376.2	\$ 350.8	25.4	7.2 %
Add (deduct):										
Lease termination and close-out fees		—	—	—			(0.8)	(0.5)	(0.3)	
Straight-line rent amortization		(2.4)	(3.4)	1.0			(6.7)	(9.2)	2.5	
Tenant incentive amortization		—	—	—			—	0.1	(0.1)	
NOI - cash basis	63.4	\$ 124.7	\$ 116.2	8.5	7.3%	63.4	\$ 368.7	\$ 341.2	27.5	8.1 %
Less NOI - cash basis for:										
Acquisitions	0.1	(0.6)	—	(0.6)		0.1	(0.6)	—	(0.6)	
Developments	—	—	—	—		0.4	(4.5)	(2.8)	(1.7)	
Dispositions and assets held for sale	2.5	(5.0)	(6.3)	1.3		2.5	(17.5)	(18.5)	1.0	
Same property NOI - cash basis	60.8	\$ 119.1	\$ 109.9	9.2	8.4%	60.4	\$ 346.1	\$ 319.9	26.2	8.2 %
Constant currency same property NOI - cash basis ⁽²⁾	60.8	\$ 119.1	\$ 113.2	5.9	5.2%	60.4	\$ 346.1	\$ 330.3	15.8	4.8 %

⁽¹⁾ The square footage relating to the NOI – cash basis represents GLA of 63.4 million square feet as at September 30, 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 September 30, 2025 increased by \$8.5 million to \$124.7 million from \$116.2 million in the prior year period, representing an increase of 7.3%. NOI - cash basis for the nine months ended September 30, 2025 increased by \$27.5 million to \$368.7 million from \$341.2 million in the prior year period, representing an increase of 8.1%. 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.

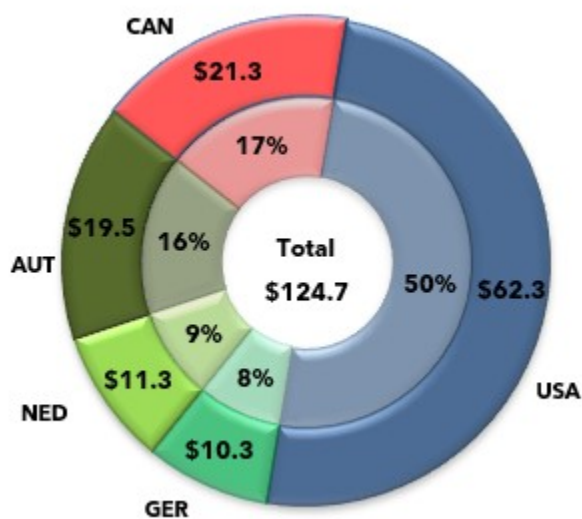
Same property NOI - cash basis for the three months ended September 30, 2025 increased by \$9.2 million (8.4%) to \$119.1 million from \$109.9 million in the prior year period, primarily due to the increase in contractual rents arising from both consumer price index and fixed rent increases, re-leasing and renewals of leases for properties primarily located in Canada and 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 and the US dollar, partially offset by vacancies at properties primarily in the United States. Constant currency same property NOI - cash basis for the three month period ended September 30, 2025 increased by \$5.9 million (5.2%) from the prior year period.

Same property NOI - cash basis for the nine months ended September 30, 2025 increased by \$26.2 million (8.2%) to \$346.1 million from \$319.9 million primarily due to the increase in contractual rents arising from both consumer price index and fixed rent increases, re-leasing and renewals of leases for properties primarily located in Canada, the United States and Austria, 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 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 nine month period ended September 30, 2025 increased by \$15.8 million (4.8%) from the prior year period.

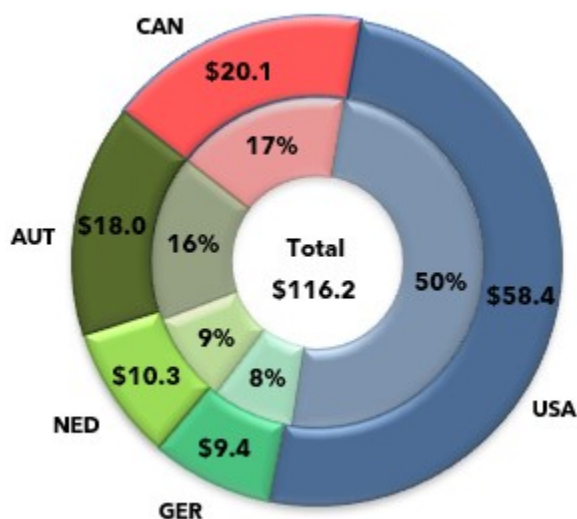
NOI - cash basis for the three and nine month periods ended September 30, 2025 and 2024 by geography was as follows:

NOI - Cash Basis by Geography

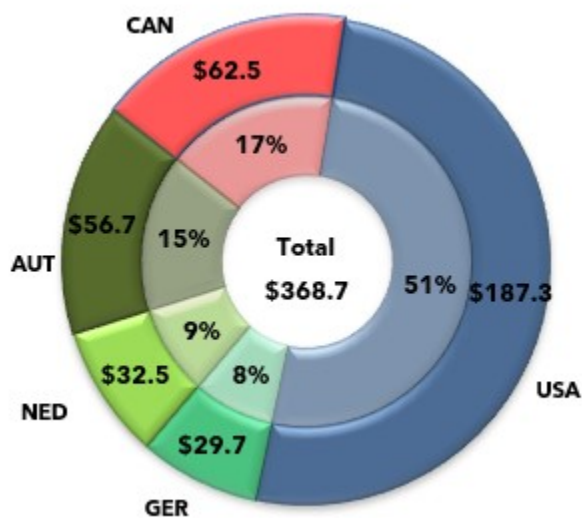
Third Quarter 2025



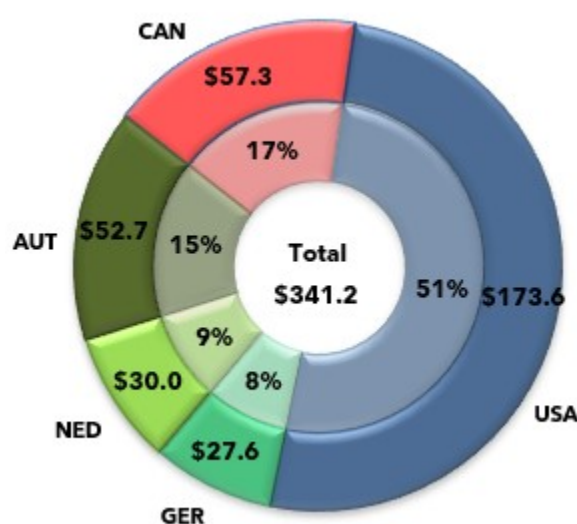
Third Quarter 2024



Nine months 2025



Nine months 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 and nine month periods ended September 30, 2025 and 2024 by geography was as follows:

Same Property NOI - Cash Basis by Geography

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% change	2025	2024	% change
Canada	\$21.3	\$20.1	6.0 %	\$58.0	\$54.4	6.6 %
United States	57.0	52.5	8.6 %	170.0	156.5	8.6 %
Austria	19.5	18.0	8.3 %	56.6	52.7	7.4 %
Germany	10.3	9.4	9.6 %	29.7	27.6	7.6 %
Netherlands	11.0	9.9	11.1 %	31.8	28.7	10.8 %
Same Property NOI - cash basis	\$119.1	\$109.9	8.4 %	\$346.1	\$319.9	8.2 %

Constant currency same property NOI - cash basis for the three and nine month periods ended September 30, 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 September 30,			Nine Months Ended September 30,		
	2025	2024	% change	2025	2024	% change
Canada	\$21.3	\$20.1	6.0 %	\$58.0	\$54.4	6.6 %
United States	57.0	53.0	7.5 %	170.0	160.7	5.8 %
Austria	19.5	19.4	0.5 %	56.6	55.7	1.6 %
Germany	10.3	10.0	3.0 %	29.7	29.2	1.7 %
Netherlands	11.0	10.7	2.8 %	31.8	30.3	5.0 %
Constant Currency Same Property NOI - cash basis ⁽¹⁾	\$119.1	\$113.2	5.2 %	\$346.1	\$330.3	4.8 %

⁽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 September 30,			Nine Months Ended September 30,		
	2025	2024	\$ change	2025	2024	\$ change
Salaries, incentives and benefits	\$ 4.9	\$ 4.7	0.2	\$ 14.0	\$ 14.0	–
Audit, legal and consulting	1.3	1.0	0.3	3.5	3.2	0.3
Trustee/director fees and related expenses including distributions	0.6	0.5	0.1	1.7	1.6	0.1
Executive unit-based compensation expense including distributions	1.4	1.1	0.3	4.5	3.5	1.0
Fair value remeasurement of trustee/director and executive unit-based compensation plans	3.9	3.3	0.6	3.0	1.2	1.8
Other public entity costs	0.5	0.7	(0.2)	1.8	2.0	(0.2)
Office rents including property taxes and common area maintenance costs	0.2	0.1	0.1	0.5	0.5	–
Capital tax	0.1	–	0.1	0.3	(0.4)	0.7
Information technology	0.6	0.7	(0.1)	2.0	2.0	–
Corporate restructuring costs	–	0.7	(0.7)	–	1.8	(1.8)
Other	0.7	0.5	0.2	1.6	1.6	–
	\$ 14.2	\$ 13.3	0.9	\$ 32.9	\$ 31.0	1.9
Less: capitalized general and administrative expenses	(0.1)	(0.1)	–	(0.3)	(0.4)	0.1
General and administrative expenses	\$ 14.1	\$ 13.2	0.9	\$ 32.6	\$ 30.6	2.0

General and administrative expenses were \$14.1 million for the three month period ended September 30, 2025 and increased \$0.9 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 a larger increase in the market price of the Trust's units in the current year period compared to the prior year period;
- 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 audit, legal, and consulting expense primarily due to an increase in tax and ESG consulting fees;
- 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 a company-wide conference held in Muskoka, Ontario, partially offset by;

- a decrease in corporate restructuring costs primarily due to the completion of a corporate restructuring initiative in the prior year period; and
- a decrease in other public entity costs due to lower rating agency fees resulting from the withdrawal of Moody's credit rating and timing differences in annual meeting expenses relative to the prior year period.

General and administrative expenses were \$32.6 million for the nine month period ended September 30, 2025 and increased \$2.0 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 the settlement of DSUs and a larger increase in the market price of the Trust's units in the current year period compared to the prior 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 audit, legal, and consulting expense primarily due to an increase in tax and ESG consulting fees; and
- 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, partially offset by;
- a decrease in corporate restructuring costs primarily due to the completion of the corporate restructuring initiative in the prior year period; and
- a decrease in other public entity costs due to lower rating agency fees resulting from the withdrawal of Moody's credit rating and due to timing differences in annual meeting expenses relative to the prior year period.

Interest Income

Interest income for the three month period ended September 30, 2025 decreased \$0.5 million to \$0.7 million from \$1.2 million in the prior year period. Interest income for the nine month period ended September 30, 2025 decreased \$1.3 million to \$2.4 million from \$3.7 million in the prior year period. Both decreases were primarily due to lower interest rates and lower invested cash balances in the current year periods relative to the prior year periods.

Interest Expense and Other Financing Costs

Interest expense and other financing costs for the three month period ended September 30, 2025 increased \$2.2 million to \$24.5 million from \$22.3 million in the prior year period. Interest expense and other financing costs for the nine month period ended September 30, 2025 increased \$6.0 million to \$72.1 million from \$66.1 million in the prior year period. Both increases were 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 decrease in capitalized interest resulting from the completion of development projects, and the general increase in foreign-denominated interest due to the weakening of the Canadian dollar against the US dollar and Euro, 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 prepayment of the September 2026 Term Loan in December 2024.

As at September 30, 2025, Granite's weighted average cost of interest-bearing debt was 2.70% (September 30, 2024 - 2.60%) and its weighted average debt term-to-maturity was 3.6 years (September 30, 2024 - 3.1 years).

Foreign Exchange Gains and Losses, Net

Granite recognized net foreign exchange gains of \$0.1 million and net foreign exchange losses of \$0.9 million in the three months ended September 30, 2025 and 2024, respectively. The \$1.0 million increase in net foreign exchange gains is primarily due to the increase in the foreign exchange gains 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, partially offset by an increase in foreign exchange losses realized from the settlement of foreign exchange collar contracts in the current year period.

Granite recognized net foreign exchange losses of \$1.0 million and \$0.5 million in the nine months ended September 30, 2025 and 2024, respectively. The \$0.5 million increase in net foreign exchange losses is primarily due to the increase in the foreign exchange losses realized from the settlement of foreign exchange collar contracts in the current year period, and an increase in 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.

Fair Value Gains and Losses on Investment Properties, Net

Net fair value losses on investment properties were \$34.6 million and net fair value gains on investment properties were \$42.6 million in the three months ended September 30, 2025 and 2024, respectively. In the three months ended September 30, 2025, net fair value losses of \$34.6 million were primarily attributable to the expansion in the discount and terminal capitalization rates at select properties in the United States and Europe due to market conditions, and the expected realization of capital expenditures at various properties in the United States, Germany and Netherlands.

Net fair value gains on investment properties in the three months ended September 30, 2024 of \$42.6 million were primarily attributable to the lease renewal of a property in the GTA and fair market rent increases at select properties in the United States, partially offset by the expansion in the discount and terminal capitalization rates at select properties in the United States.

Net fair value losses on investment properties were \$66.1 million and net fair value gains on investment properties were \$54.5 million in the nine months ended September 30, 2025 and 2024, respectively. In the nine months ended September 30, 2025, net fair value losses of \$66.1 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 select properties, primarily in Europe.

Net fair value gains on investment properties in the nine months ended September 30, 2024 of \$54.5 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 at select Granite assets largely due to market conditions.

Fair Value Gains and Losses on Financial Instruments, Net

The net fair value losses on financial instruments for the three month period ended September 30, 2025 were \$0.9 million while the net fair value losses on financial instruments for the three month period ended September 30, 2024 were \$2.9 million. There were no fair value gains or losses on financial instruments for the nine month period ended September 30, 2025. The net fair value losses for the nine month period ended September 30, 2024 were \$7.4 million.

The net fair value losses on financial instruments for the three months ended September 30, 2025 are primarily related to the net fair value losses on the foreign exchange collar contracts. The nil net fair value change on financial instruments for the nine month period ended September 30, 2025 is due to the negligible change in the fair value of the foreign exchange contracts on a year to date basis. 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 losses on financial instruments, net, in the unaudited condensed consolidated combined statements of net income.

The net fair value losses on financial instruments for the three months ended September 30, 2024 are primarily related to the fair value losses from the ineffective hedge portion of the cross currency interest rate swap related to the 2024 Term Loan (as defined herein) and the net fair value losses on the foreign exchange collar contracts. The net fair value losses on financial instruments for the nine month period ended September 30, 2024 are related to the fair value losses from the ineffective hedge portion of the interest rate swap related to the 2024 Term Loan and the net 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 losses on financial instruments, net, in the unaudited condensed 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 September 30, 2025, the Trust held three outstanding foreign exchange collar contracts (December 31, 2024 – twelve) with a notional value of US\$21.0 million (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 September 30, 2025, the Trust also held fifteen outstanding foreign exchange collar contracts (December 31, 2024 – twelve) with a notional value of €30.0 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.

Income Tax (Recovery) Expense

Income tax (recovery) expense is comprised of the following:

Income Tax (Recovery) Expense							
	Three Months Ended September 30,			Nine Months Ended September 30,			
	2025	2024	\$ change	2025	2024	\$ change	
Foreign operations	\$ 3.0	\$ 2.6	0.4	\$ 8.6	\$ 7.6	1.0	
Other	–	0.1	(0.1)	(0.1)	0.2	(0.3)	
Current tax expense	3.0	2.7	0.3	8.5	7.8	0.7	
Deferred tax (recovery) expense	(17.5)	9.3	(26.8)	(9.7)	18.5	(28.2)	
Income tax (recovery) expense	\$ (14.5)	\$ 12.0	(26.5)	\$ (1.2)	\$ 26.3	(27.5)	

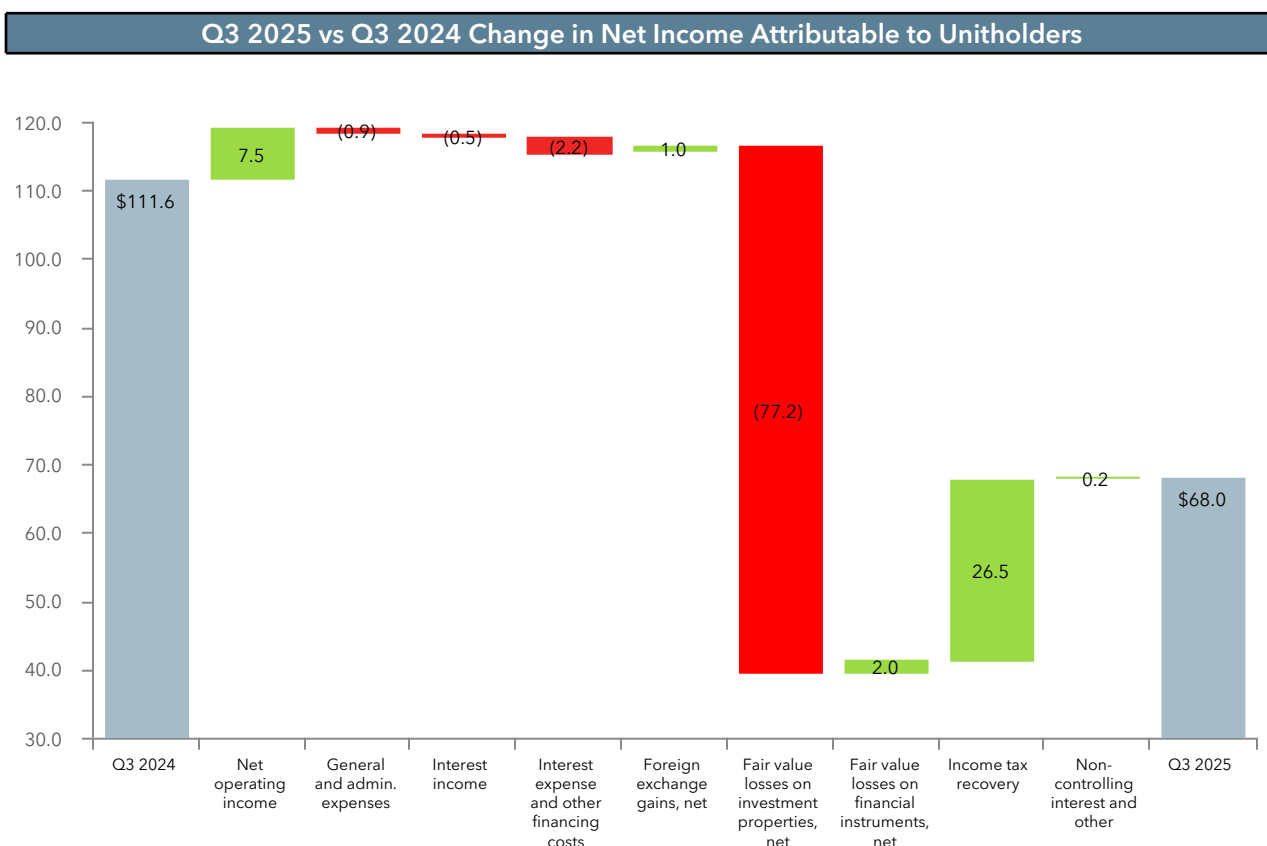
For the three months ended September 30, 2025, current tax expense increased compared to the prior year period primarily due to the impact of the weakening of the Canadian dollar on Euro denominated tax expenses as compared to the prior year period.

For the nine months ended September 30, 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 and a reserve on German withholding taxes recognized in the second quarter of 2025, partially offset by the release of a German withholding tax reserve pertaining to a prior tax year in the first quarter of 2025.

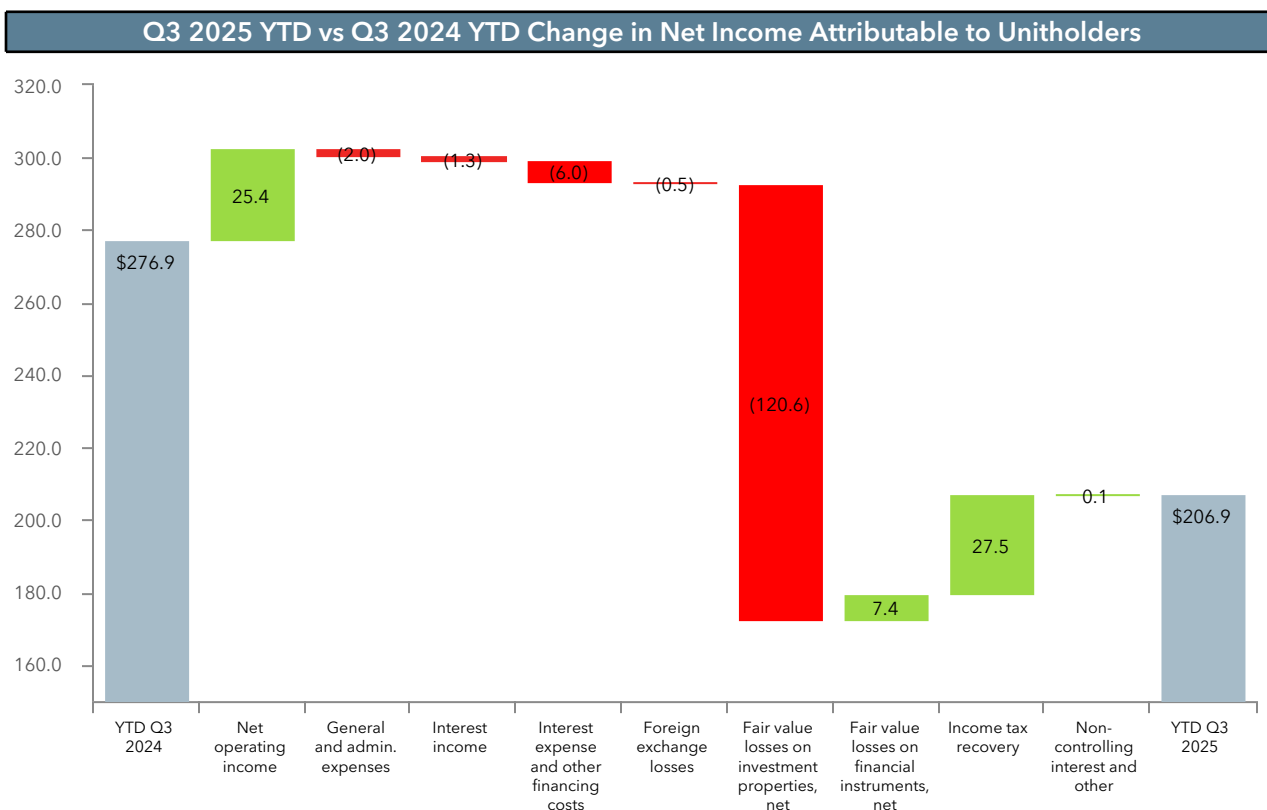
The increase in deferred tax recovery for the three and nine months ended September 30, 2025 compared to the prior year periods was primarily due to the decrease in future tax rates for Germany announced in July 2025, and changes in fair value on investment properties recognized in jurisdictions in which deferred taxes are recorded.

Net Income Attributable to Unitholders

For the three month period ended September 30, 2025, net income attributable to unitholders was \$68.0 million compared to \$111.6 million in the prior year period. The decrease in net income attributable to unitholders was primarily due to a \$77.2 million unfavourable change in fair value adjustments on investment properties and a \$2.2 million increase in interest expense and other financing costs, partially offset by a \$26.5 million increase in income tax recovery, a \$7.5 million increase in net operating income, and a \$2.0 million favourable change in fair value losses on financial instruments. The period-over-period variance is further summarized below:



For the nine month period ended September 30, 2025, net income attributable to unitholders was \$206.9 million compared to \$276.9 million in the prior year period. The decrease in net income attributable to unitholders was primarily due to a \$120.6 million unfavourable change in fair value adjustments on investment properties, and a \$6.0 million increase in interest expense and other financing costs, partially offset by a \$27.5 million increase in income tax recovery, a \$25.4 million increase in net operating income, and a \$7.4 million decrease in fair value losses on financial instruments. The period-over-period variance is further summarized below:



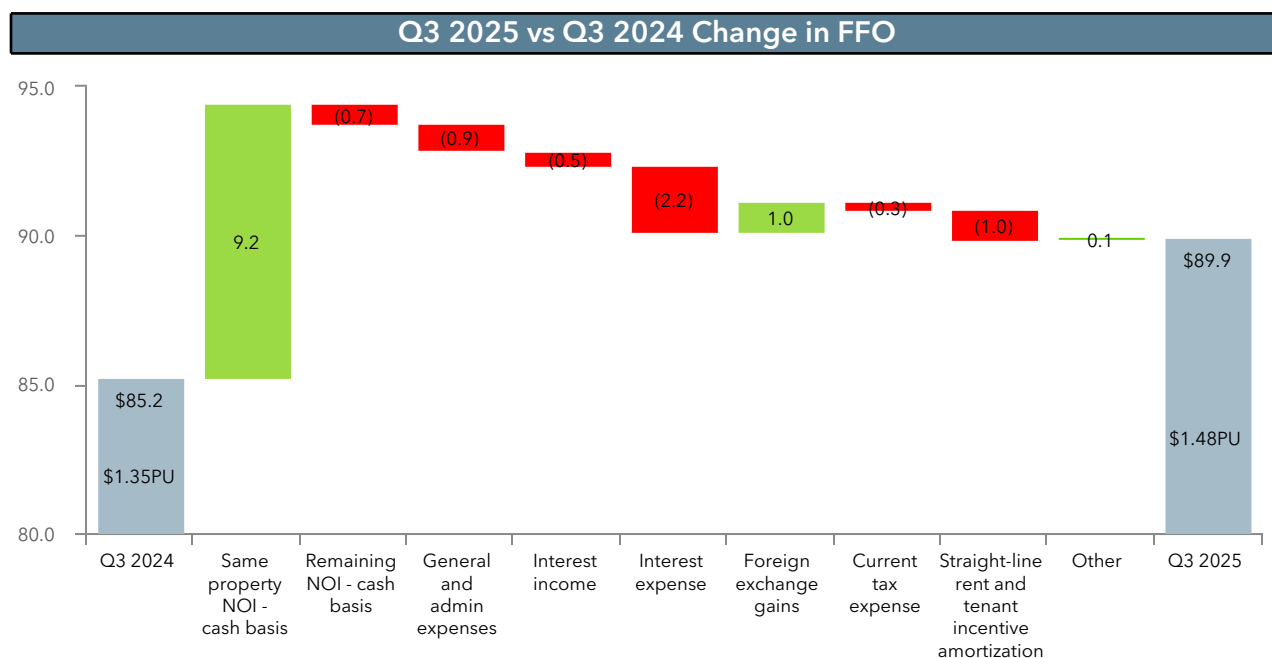
Funds From Operations and Adjusted Funds From Operations

The reconciliation of net income attributable to unitholders to FFO and AFFO for the three and nine months ended September 30, 2025 and 2024, respectively, is presented below:

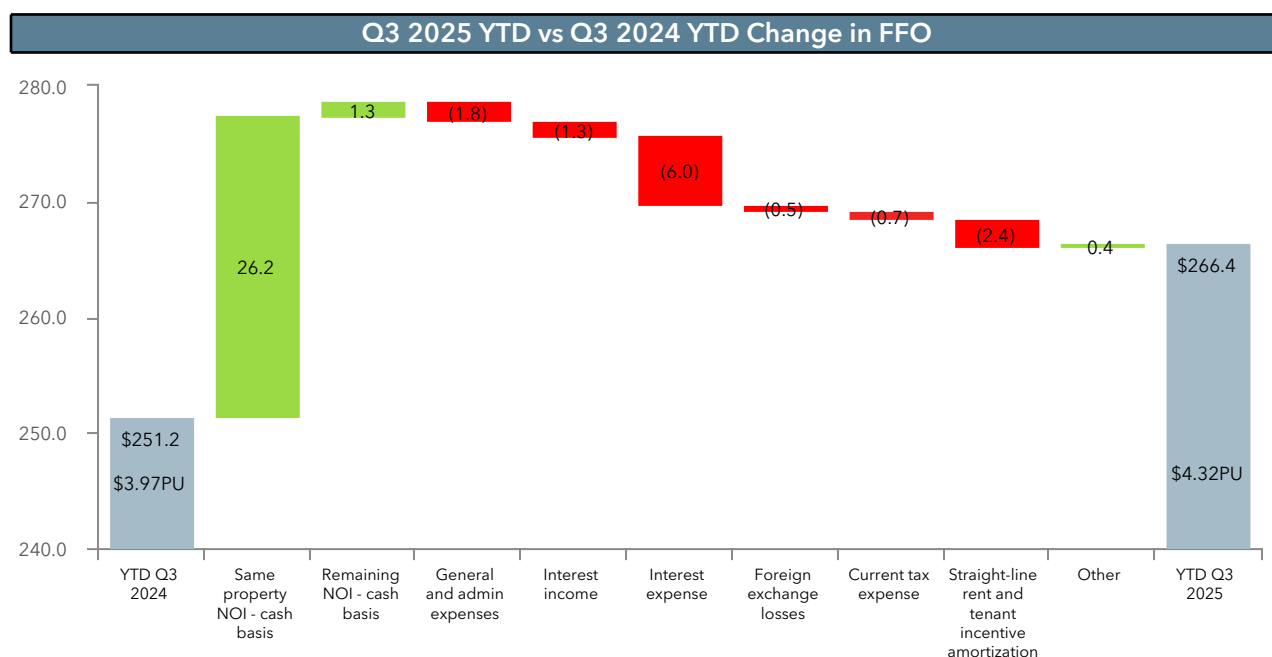
FFO and AFFO Reconciliation					
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
<i>(in millions, except per unit information)</i>					
Net income attributable to unitholders		\$ 68.0	\$ 111.6	\$ 206.9	\$ 276.9
Add (deduct):					
Fair value losses (gains) on investment properties, net		34.6	(42.6)	66.1	(54.5)
Fair value losses on financial instruments, net		0.9	2.9	–	7.4
Deferred tax (recovery) expense		(17.5)	9.3	(9.7)	18.5
Fair value remeasurement of the Executive Deferred Unit Plan		2.8	1.4	2.1	0.5
Fair value remeasurement of the Directors Deferred Unit Plan		1.1	1.8	1.0	0.6
Corporate restructuring costs		–	0.7	–	1.8
Non-controlling interests relating to the above		–	0.1	–	–
FFO	[A]	\$ 89.9	\$ 85.2	\$ 266.4	\$ 251.2
Add (deduct):					
Maintenance or improvement capital expenditures incurred		(8.9)	(3.7)	(13.1)	(10.1)
Leasing costs		(1.6)	(1.5)	(6.0)	(2.0)
Tenant allowances		–	–	(0.1)	(1.6)
Tenant incentive amortization		–	–	–	0.1
Straight-line rent amortization		(2.4)	(3.4)	(6.7)	(9.2)
Non-controlling interests relating to the above		–	–	–	–
AFFO	[B]	\$ 77.0	\$ 76.6	\$ 240.5	\$ 228.4
Per unit amounts:					
Basic FFO per unit	[A]/[C]	\$ 1.48	\$ 1.36	\$ 4.35	\$ 3.99
Diluted FFO per unit	[A]/[D]	\$ 1.48	\$ 1.35	\$ 4.32	\$ 3.97
Basic AFFO per unit	[B]/[C]	\$ 1.27	\$ 1.22	\$ 3.92	\$ 3.63
Diluted AFFO per unit	[B]/[D]	\$ 1.26	\$ 1.22	\$ 3.90	\$ 3.61
Basic weighted average number of units	[C]	60.6	62.7	61.3	63.0
Diluted weighted average number of units	[D]	60.9	63.0	61.6	63.3

Funds From Operations

FFO for the three month period ended September 30, 2025 was \$89.9 million (\$1.48 per unit) compared to \$85.2 million (\$1.35 per unit) in the prior year period. The \$4.7 million (\$0.13 per unit) increase in the FFO components is summarized below:

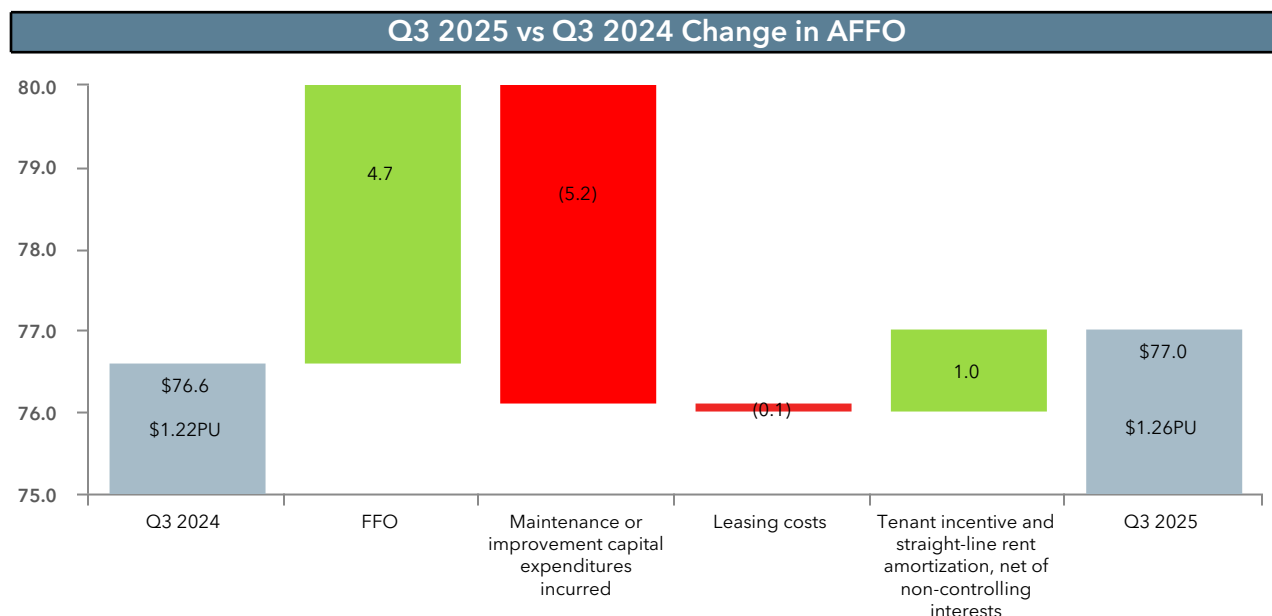


FFO for the nine month period ended September 30, 2025 was \$266.4 million (\$4.32 per unit) compared to \$251.2 million (\$3.97 per unit) in the prior year period. The \$15.2 million (\$0.35 per unit) increase in the FFO components is summarized below:



Adjusted Funds From Operations

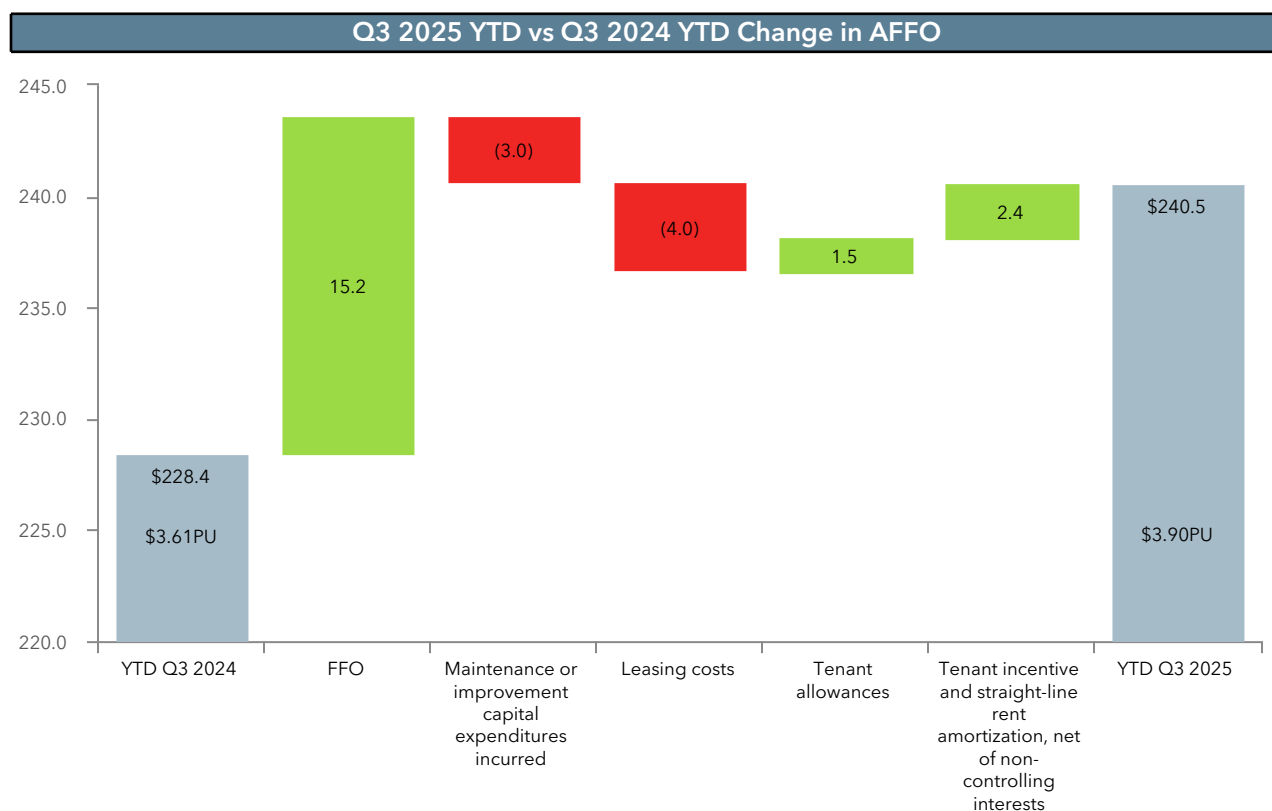
AFFO for the three month period ended September 30, 2025 was \$77.0 million (\$1.26 per unit) compared to \$76.6 million (\$1.22 per unit) in the prior year period. The \$0.4 million (\$0.04 per unit) increase in AFFO components is summarized below:



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

- the \$4.7 million increase in FFO, as noted previously; and
- a \$1.0 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 new lease for an existing property and completed development properties in the United States in the prior year period, partially offset by;
- a \$5.2 million decrease in AFFO from higher maintenance or improvement capital expenditures incurred in the current year period relative to the prior year period; and
- a \$0.1 million decrease in AFFO primarily from higher leasing costs in the current year period primarily related to properties in the United States.

AFFO for the nine month period ended September 30, 2025 was \$240.5 million (\$3.90 per unit) compared to \$228.4 million (\$3.61 per unit) in the prior year period. The \$12.1 million (\$0.29 per unit) increase in AFFO components is summarized below:



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

- the \$15.2 million increase in FFO, as noted previously;
- a \$2.4 million increase in AFFO primarily due to the expiration of a rent-free period relating to a new lease in the United States for an existing property, and the expiration of rent-free periods relating to lease renewals 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 \$1.5 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 \$4.0 million decrease in AFFO from higher leasing costs in the current year period primarily related to properties in the United States and Canada; and
- a \$3.0 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 finalized design and site plan approvals, and continued site infrastructure and grading work at its 0.4 million square foot, 36' clear height, state-of-the-art modern distribution facility 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 September 30, 2025 and December 31, 2024 are as follows:

Investment Properties Summary		
As at September 30, 2025 and December 31, 2024	2025	2024
<i>(in millions, except as noted)</i>		
Investment properties - fair value	\$9,102.5	\$9,397.3
Income-producing properties	8,994.7	9,297.1
Development properties ⁽⁴⁾	107.8	100.2
Overall capitalization rate ⁽¹⁾	5.6 %	5.3 %
Number of investment properties	140	143
Income-producing properties	134	138
Development properties ⁽⁴⁾	6	5
Property metrics		
GLA, square feet	60.9	63.3
Occupancy, by GLA	96.8 %	94.9 %
Committed occupancy, by GLA ⁽³⁾	97.1 %	95.0 %
Weighted average lease term in years, by GLA	5.5	5.7
Total number of tenants	117	120
Magna as a percentage of annualized revenue ⁽²⁾	27 %	26 %
Magna as a percentage of GLA	20 %	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.

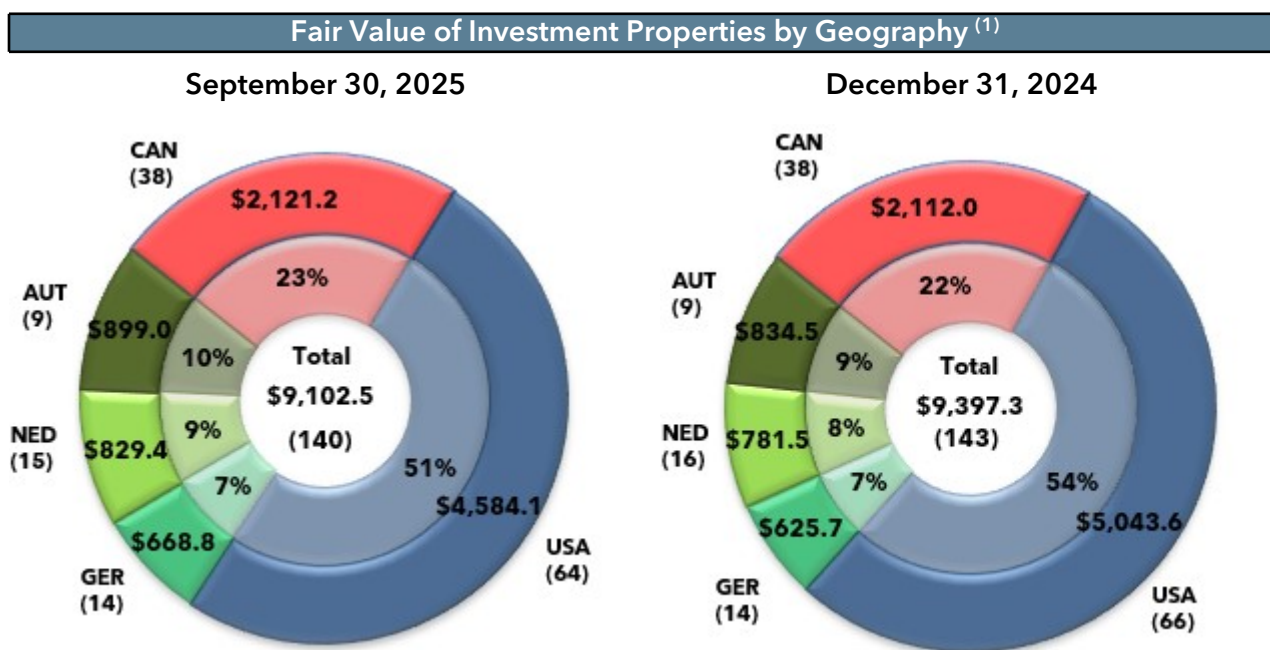
⁽³⁾ Committed occupancy as at November 5, 2025.

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

Assets Held for Sale ⁽¹⁾		
As at September 30, 2025 and December 31, 2024	2025	2024
<i>(in millions, except as noted)</i>		
Assets held for sale		
Fair value	\$370.7	\$—
Number of properties	6	—
GLA, square feet	2.5	—
Magna as a percentage of GLA	— %	— %
Annualized revenue	\$21.8	\$—

⁽¹⁾ Assets held for sale are excluded from investment properties and related property metrics. Accordingly, six such assets that were held for sale as at September 30, 2025 were excluded from investment properties and related property metrics as at September 30, 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 September 30, 2025 and December 31, 2024 was as follows:



⁽¹⁾ Number of properties denoted in parentheses.

The change in the fair value of investment properties by geography during the nine months ended September 30, 2025 was as follows:

Change in Fair Value of Investment Properties by Geography										
	January 1, 2025	Acquisitions	Capital and leasing expenditures	Developments and expansion	Straight-line rent & other	Fair value (losses) gains	Foreign exchange	Classified as assets held for sale		September 30, 2025
Income-Producing Properties										
Canada	\$ 2,032.2	\$ —	\$ 1.1	\$ (0.1)	\$ 1.8	\$ 5.6	\$ —	\$ —		\$ 2,040.6
USA	5,023.2	49.7	20.6	0.2	4.9	(42.0)	(162.7)	(337.0)		4,556.9
Austria	834.5	—	—	—	—	(15.2)	79.7	—		899.0
Germany	625.7	—	0.1	—	0.1	(16.7)	59.6	—		668.8
Netherlands	781.5	—	0.8	3.0	—	2.2	75.6	(33.7)		829.4
	9,297.1	49.7	22.6	3.1	6.8	(66.1)	52.2	(370.7)		8,994.7
Development Properties										
USA	20.4	—	—	7.6	—	—	(0.8)	—		27.2
Canada	79.8	—	—	0.8	—	—	—	—		80.6
	100.2	—	—	8.4	—	—	(0.8)	—		107.8
Total	\$ 9,397.3	\$ 49.7	\$ 22.6	\$ 11.5	\$ 6.8	\$ (66.1)	\$ 51.4	\$ (370.7)		\$ 9,102.5

During the nine months ended September 30, 2025, the fair value of investment properties decreased by \$294.8 million primarily due to:

- the classification of six income-producing properties valued at \$370.7 million as assets held for sale. These properties are classified as assets held for sale on the unaudited condensed consolidated combined balance sheet and excluded from the investment properties categorization (see "SIGNIFICANT MATTERS - Assets Held for Sale"); and

- net fair value losses of \$66.1 million, which 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 select properties, primarily in Europe, partially offset by;
- foreign exchange gains of \$51.4 million resulting from the relative weakening of the Canadian dollar against the Euro, partially offset by the relative strengthening of the Canadian dollar against the US dollar;
- the acquisitions of two income-producing properties in the United States for \$49.5 million, excluding associated transaction costs (see "*SIGNIFICANT MATTERS - Property Acquisitions*");
- income-producing property additions of \$22.6 million relating to capital projects and leasing activity at properties primarily in the United States; and
- development additions of \$11.5 million primarily relating to a property under development in the United States and pre-development entitlements to an existing income-producing property in Netherlands, which remained classified as an asset held for sale as at September 30, 2025 (see "*SIGNIFICANT MATTERS - Construction and Development Commitments*").

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 three and nine months ended September 30, 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 unaudited condensed consolidated combined financial statements for the three and nine months ended September 30, 2025. In addition, valuation metrics for Granite's income-producing properties by asset category and region as at September 30, 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 September 30, 2025 and December 31, 2024										
Overall capitalization rate ⁽¹⁾⁽²⁾	5.28%	5.06%	5.30%	4.91%	7.37%	7.09%	6.15%	6.03%	5.59%	5.32%
Terminal capitalization rate ⁽¹⁾	6.14%	6.02%	5.98%	5.93%	6.67%	6.62%	7.21%	7.24%	6.22%	6.11%
Discount rate ⁽¹⁾	7.00%	6.95%	7.38%	7.10%	8.24%	7.88%	8.55%	8.36%	7.25%	7.11%

Valuation Metrics by Region

As at September 30, 2025	Canada	USA	Austria	Germany	Nether-lands	Total
Income-producing property fair value	\$2,040.6	\$4,556.9	\$ 899.0	\$ 668.8	\$ 829.4	\$8,994.7
Overall capitalization rate ⁽¹⁾⁽²⁾	4.69%	5.42%	8.54%	5.99%	5.27%	5.59%

As at December 31, 2024	Canada	USA	Austria	Germany	Nether-lands	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 September 30, 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	8,196.3	8,586.9	8,665.6
+25 bps	8,574.1	8,782.6	8,828.2
Base rate	\$8,994.7	\$8,994.7	\$8,994.7
-25 bps	9,469.3	8,225.3	9,165.2
-50 bps	10,018.5	9,476.9	9,339.8

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 and nine months ended September 30, 2025 and 2024 is below:

Maintenance Capital Expenditures and Leasing Costs					
	Three Months Ended September 30,		Nine Months Ended September 30,		
	2025	2024	2025	2024	
Additions to income-producing properties:					
Leasing costs	\$ 4.4	\$ 1.5	\$ 9.2	\$ 2.8	
Tenant improvements ⁽¹⁾	—	0.1	0.3	5.5	
Maintenance capital expenditures	8.9	4.3	13.1	11.1	
Other capital expenditures	0.2	5.7	3.1	22.1	
	\$ 13.5	\$ 11.6	\$ 25.7	\$ 41.5	
Less:					
Leasing costs and tenant improvements related to completed development activities	(2.8)	(0.1)	(3.4)	(4.7)	
Capital expenditures related to expansions and completed developments	(0.2)	(5.7)	(3.1)	(22.1)	
Capital expenditures related to property acquisitions and other	—	(0.6)	—	(1.0)	
Capital expenditures and leasing costs included in AFFO	\$ 10.5	\$ 5.2	\$ 19.2	\$ 13.7	

⁽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									
		Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23
Total capital expenditures incurred		\$9.1	\$6.6	\$0.4	\$5.1	\$10.0	\$15.4	\$7.8	\$ (1.8)
Total leasing costs and tenant improvements incurred		4.4	4.2	1.0	8.6	1.6	5.6	1.1	5.3
Total additions to income-producing properties	[A]	\$13.5	\$10.8	\$1.4	\$13.7	\$11.6	\$21.0	\$8.9	\$3.5
Less: Capital expenditures, leasing costs and tenant improvements related to acquisitions, expansions and completed developments and other		(3.0)	(2.8)	(0.7)	(2.4)	(6.4)	(13.9)	(7.5)	2.5
Capital expenditures and leasing costs included in AFFO	[B]	\$10.5	\$8.0	\$0.7	\$11.3	\$5.2	\$7.1	\$1.4	\$6.0
GLA, square feet	[C]	60.9	60.6	63.3	63.3	63.3	63.3	63.3	62.9
\$ total incurred per square foot	[A]/[C]	\$0.22	\$0.18	\$0.02	\$0.22	\$0.18	\$0.33	\$0.14	\$0.06
\$ capital expenditures and leasing costs included in AFFO per square foot	[B]/[C]	\$0.17	\$0.13	\$0.01	\$0.18	\$0.08	\$0.11	\$0.02	\$0.10

Development and Expansion Projects

The attributes of Granite's development properties as at September 30, 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 September 30, 2025	Expected total construction cost ⁽¹⁾	Cost of Land	Total Expected Cost	Year-One Stabilized Yield ⁽²⁾
As at September 30, 2025									
Development Properties									
12 Wright St., Brantford, ON	33.9	0.7	Q2 2023	TBD	4.8	5.9	26.1	32.0	N/A
Houston, TX (Future Phases)	68.7	0.7	Q3 2023	TBD	1.3	4.4	10.3	14.7	N/A
Houston, TX (Phase III Building 5)	30.8	0.4	Q1 2025	Q4 2026	7.1	62.5	6.8	69.3	7.5 %
	133.4	1.8			\$13.2	\$72.8	\$43.2	\$116.0	N/A

⁽¹⁾ Construction cost excludes cost of land.

⁽²⁾ Yield based on total cost including land.

During the third 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 finalized design and site plan approvals, and continued site infrastructure and grading work 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 September 30, 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 27% (December 31, 2024 - 26%) of Granite's annualized revenue and 20% (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) credit rating with a stable outlook confirmed by Morningstar DBRS and A- credit rating 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 September 30, 2025, Granite had 116 other tenants from various industries that in aggregate comprised 73% of the Trust's annualized revenue. Each of these tenants accounted for less than 4% of the Trust's annualized revenue as at September 30, 2025.

Granite's top 10 tenants by annualized revenue as at September 30, 2025 are summarized in the table below:

Top 10 Tenants Summary				
Tenant	Annualized Revenue %	GLA %	WALT (years) ⁽³⁾	Credit Rating ⁽¹⁾⁽²⁾
Magna	27.4 %	19.9 %	6.0	A-
Amazon	3.9 %	4.0 %	13.4	AA
Wayfair	2.9 %	1.3 %	5.0	B3
Mars Petcare US	2.6 %	3.6 %	4.8	NR
TV Hardware Distribution, LLC ...	1.9 %	2.3 %	15.4	NR
Light Mobility Solutions GmbH ...	1.7 %	1.3 %	10.2	NR
Restoration Hardware	1.6 %	2.0 %	2.6	B3
Hanon Systems	1.5 %	0.7 %	5.4	AA-
Samsung Electronics America	1.5 %	1.2 %	1.0	AA-
Spreetail FTP	1.4 %	1.8 %	7.0	NR
Top 10 Tenants	46.4 %	38.1 %	6.8	

⁽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.

Lease Expiration

As at September 30, 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 (calculated as the contractual base rent for the month subsequent to the quarterly reporting period multiplied by 12 months, in millions) as set out in the table below:

Lease Maturity Summary																			
				Vacancies	2025		2026		2027		2028		2029		2030		2031 and Beyond		
Country	Total GLA	Total Lease Count	Total Annualized Revenue \$	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	97.7	–	1,236	21.2	719	9.5	529	7.2	650	9.8	816	13.5	164	1.5	2,893	35.0	
Canada-committed (1)	–	–	–	–	(1,236)	(21.2)	–	–	–	–	126	2.3	–	–	1,110	18.9	–	–	
Canada - net	7,007	37	97.7	–	–	–	719	9.5	529	7.2	776	12.1	816	13.5	1,274	20.4	2,893	35.0	
United States	36,568	82	240.4	1,939	2,480	15.8	3,309	26.7	2,642	15.6	6,875	42.6	4,170	27.4	2,510	17.5	12,643	94.8	
United States -committed (1)	–	–	–	–	(2,361)	(15.1)	(1,431)	(9.2)	267	2.6	1,426	8.2	–	–	744	4.9	1,355	8.6	
United States - net	36,568	82	240.4	1,939	119	0.7	1,878	17.5	2,909	18.2	8,301	50.8	4,170	27.4	3,254	22.4	13,998	103.4	
United States - committed vacancy (2)				(188)	–	–	–	–	–	–	–	–	–	–	40	–	148	–	
United States - net with committed vacancy				1,751	119	0.7	1,878	17.5	2,909	18.2	8,301	50.8	4,170	27.4	3,294	22.4	14,146	103.4	
Austria	7,458	9	79.0	–	–	–	389	3.3	802	12.4	806	10.5	379	4.9	–	–	5,082	47.9	
Austria-committed (1)	–	–	–	–	–	–	(389)	(3.3)	–	–	–	–	–	–	–	–	389	3.3	
Austria-net	7,458	9	79.0	–	–	–	–	–	802	12.4	806	10.5	379	4.9	–	–	5,471	51.2	
Germany	4,666	15	41.8	–	316	2.9	1,021	7.1	290	2.4	335	2.9	308	2.5	714	5.7	1,682	18.3	
Germany-committed (1)	–	–	–	–	(195)	(2.1)	(717)	(4.9)	–	–	–	–	717	4.9	195	2.1	–	–	
Germany-net	4,666	15	41.8	–	121	0.8	304	2.2	290	2.4	335	2.9	1,025	7.4	909	7.8	1,682	18.3	
Netherlands	5,219	15	47.9	–	628	6.6	355	2.2	1,124	9.4	313	3.6	500	3.9	1,077	11.0	1,221	11.2	
Netherlands - committed (1)	–	–	–	–	(628)	(6.6)	–	–	–	–	–	–	–	–	628	6.6	–	–	
Netherlands - net	5,219	15	47.9	–	–	–	355	2.2	1,124	9.4	313	3.6	500	3.9	1,705	17.6	1,221	11.2	
Total - Gross	60,918	158	506.8	1,939	4,660	46.5	5,793	48.8	5,387	47.0	8,979	69.4	6,173	52.2	4,465	35.7	23,521	207.2	
Total-committed (1)	–	–	–	–	(4,420)	(45.0)	(2,537)	(17.4)	267	2.6	1,552	10.5	717	4.9	2,677	32.5	1,744	11.9	
Total-Net, September 30, 2025	60,918	158	506.8	1,939	240	1.5	3,256	31.4	5,654	49.6	10,531	79.9	6,890	57.1	7,142	68.2	25,265	219.1	
Total-Committed vacancy (2)				(188)	–	–	–	–	–	–	–	–	–	–	40	–	148	–	
Total-Committed occupancy (3)				1,751	240	1.5	3,256	31.4	5,654	49.6	10,531	79.9	6,890	57.1	7,182	68.2	25,413	219.1	
% of portfolio as at September 30, 2025:																			
* by sq ft (in %)	100.0			3.2	0.4		5.3		9.3		17.3		11.3		11.7		41.5		
* by Annualized Revenue (in %)			100.0			0.3		6.2		9.8		15.8		11.3		13.5		43.1	
% of committed portfolio as at November 5, 2025(3)																			
* by sq ft (in %)	100.0			2.9	0.4		5.3		9.3		17.3		11.3		11.8		41.7		

⁽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 and nine months ended September 30, 2025.

Occupancy Roll Forward for Q3 2025						
Three Months Ended September 30, 2025						
<i>(in thousands, sq ft, except as noted)</i>	Canada	USA	Austria	Germany	Netherlands	Total
Total portfolio size, July 1, 2025	7,007	36,267	7,458	4,666	5,219	60,617
Vacancy, July 1, 2025	(169)	(2,385)	—	—	—	(2,554)
Occupancy, July 1, 2025	6,838	33,882	7,458	4,666	5,219	58,063
Occupancy %, July 1, 2025	97.6 %	93.4 %	100.0 %	100.0 %	100.0 %	95.8%
Assets held for sale	—	301	—	—	—	301
Expiries	(998)	(848)	—	—	—	(1,846)
Renewals	998	848	—	—	—	1,846
New Leases	169	446	—	—	—	615
Occupancy, September 30, 2025	7,007	34,629	7,458	4,666	5,219	58,979
Total portfolio size, September 30, 2025	7,007	36,568	7,458	4,666	5,219	60,918
Occupancy %, September 30, 2025 ..	100.0%	94.7%	100.0%	100.0%	100.0%	96.8%
Committed vacancy, November 5, 2025	—	188	—	—	—	188
Committed occupancy, November 5, 2025	7,007	34,817	7,458	4,666	5,219	59,167
Committed occupancy %, November 5, 2025	100.0%	95.2%	100.0%	100.0%	100.0%	97.1%

Occupancy Roll Forward for Q3 2025 YTD

	Nine Months Ended September 30, 2025					
<i>(in thousands, sq ft, except as noted)</i>	Canada	USA	Austria	Germany	Netherlands	Total
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	–	125	–	–	–	125
Occupied remeasurement	–	–	(14)	–	–	(14)
Assets held for sale	–	(2,378)	–	–	(43)	(2,421)
Expiries	(1,045)	(2,123)	–	–	(628)	(3,796)
Renewals	1,022	1,871	–	–	628	3,521
New Leases	189	1,238	–	–	–	1,427
Occupancy, September 30, 2025	7,007	34,629	7,458	4,666	5,219	58,979
Transfers to assets held for sale	–	–	–	–	(114)	(114)
Total portfolio size, September 30, 2025	7,007	36,568	7,458	4,666	5,219	60,918
Occupancy %, September 30, 2025	100.0%	94.7%	100.0%	100.0%	100.0%	96.8%
Committed vacancy, November 5, 2025	–	188	–	–	–	188
Committed occupancy, November 5, 2025	7,007	34,817	7,458	4,666	5,219	59,167
Committed occupancy %, November 5, 2025	100.0%	95.2%	100.0%	100.0%	100.0%	97.1%

New and Renewal Lease Spreads

The following table summarizes rental rate spreads achieved on new and renewal leasing during the three and nine months ended September 30, 2025.

New and Renewal Lease Spreads

	Three Months Ended September 30, 2025		Nine Months Ended September 30, 2025	
	Sq Ft (in thousands)	Rental Rate Spread ⁽¹⁾	Sq Ft (in thousands)	Rental Rate Spread ⁽¹⁾
Canada	998	130 %	1,022	130 %
United States	848	15 %	1,871	19 %
Austria	–	– %	–	– %
Germany	–	– %	–	– %
Netherlands	–	– %	662	4 %
Total	1,846	88 %	3,555	53 %

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

The leasing activity in Canada for the three months ended September 30, 2025 represents three fair market rent lease renewals. The leasing activity in the United States for the three months ended September 30, 2025 represents one fair market rent lease renewal and a month-to-month fixed rate lease extension in the United States.

The leasing activity in Canada for the nine months ended September 30, 2025 represents four fair market rent lease renewals in the GTA. The leasing activity in the United States for the nine months ended September 30, 2025 represents two fair market rent lease renewals, one contractual fixed rate lease renewal, and a continued month-to-month fixed rate lease extension. The leasing activity in Netherlands for the nine months ended September 30, 2025 represents two renewals of short term leases, and one contractual lease renewal.

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⁾					
	September 30, 2025		June 30, 2025	September 30, 2024	WALT (years)⁽³⁾
Canada	\$ 13.99	\$	12.18	\$ 11.92	6.0
United States	\$ 5.01	\$	5.12	\$ 4.96	5.6
Austria	€ 6.48	€	6.47	€ 6.45	6.7
Germany	€ 5.48	€	5.47	€ 5.40	5.3
Netherlands	€ 5.61	€	5.58	€ 5.49	4.6

⁽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 September 30, 2025.

As at September 30, 2025, the weighted average in-place rental rates increased in Canada, Austria, Germany and Netherlands when compared with the rates noted in June 30, 2025 and September 30, 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. In Canada, the majority of the increase is due to the four fair market rent lease renewals in the GTA. In the United States, the weighted average in-place rental rate decreased slightly when compared with the rate in June 30, 2025, which reflects the classification of an income-producing property as an asset held for sale as at September 30, 2025, partially offset by rent increases from lease renewals and contractual escalations within the region.

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 \$1,046.7 million as at September 30, 2025 compared to \$1,123.4 million at December 31, 2024, as summarized below:

Sources of Available Liquidity		
As at September 30, 2025 and December 31, 2024	2025	2024
Cash and cash equivalents	\$ 127.9	\$ 126.2
Unused portion of Credit Facility	918.8	997.2
Available liquidity⁽¹⁾	\$ 1,046.7	\$ 1,123.4
Additional sources of liquidity:		
Assets held for sale ⁽²⁾	\$ 370.7	\$ –
Unencumbered assets ⁽²⁾	\$ 9,102.5	\$ 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 carrying 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 September 30,			Nine Months Ended September 30,		
	2025	2024	\$ change	2025	2024	\$ change
Cash and cash equivalents, beginning of period	\$ 86.4	\$ 101.3	(14.9)	\$ 126.2	\$ 116.1	10.1
Cash provided by operating activities	122.0	106.7	15.3	303.7	267.4	36.3
Cash used in investing activities	(15.9)	(21.0)	5.1	(76.2)	(49.5)	(26.7)
Cash used in financing activities	(64.8)	(52.0)	(12.8)	(225.3)	(201.5)	(23.8)
Effect of exchange rate changes on cash and cash equivalents	0.2	(1.5)	1.7	(0.5)	1.0	(1.5)
Cash and cash equivalents, end of period	\$ 127.9	\$ 133.5	(5.6)	\$ 127.9	\$ 133.5	(5.6)

Operating Activities

During the three month period ended September 30, 2025, operating activities generated cash of \$122.0 million compared to \$106.7 million in the prior year period. The increase of \$15.3 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 \$8.5 million;
- a decrease of \$6.7 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, partially offset by higher debt balances and an increase in the weighted average cost of debt in the current year period;
- an increase of \$1.0 million of foreign exchange gains;
- a decrease of \$0.3 million of income taxes paid; and
- a decrease of \$0.2 million in general and administrative expenses, excluding the impact of unit-based compensation, partially offset by;
- a decrease of \$0.5 million in interest income primarily due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period; and
- a decrease of \$1.0 million of cash provided by working capital changes primarily due to timing of payments and receipts.

During the nine month period ended September 30, 2025, operating activities generated cash of \$303.7 million compared to \$267.4 million in the prior year period. The increase of \$36.3 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 \$27.5 million;
- an increase of \$8.3 million from cash provided by working capital changes primarily due to timing of payments and receipts;

- a decrease of \$2.0 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, partially offset by higher debt balances and an increase in the weighted average cost of debt in the current year period; and
- a decrease of \$1.1 million in general and administrative expenses, excluding the impact of unit-based compensation, partially offset by;
- an increase of \$0.5 million in foreign exchange losses;
- an increase of \$1.4 million of income taxes paid; and
- a decrease of \$1.3 million in interest income primarily due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period.

Investing Activities

Investing activities for the three month period ended September 30, 2025 used cash of \$15.9 million and primarily related to the following:

- additions to income-producing properties paid of \$9.0 million attributable to ongoing maintenance capital in the United States, Europe, and Canada;
- additions to development properties paid of \$0.7 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 \$0.1 million primarily related to tenant improvement activity for properties in Canada.

Investing activities for the three month period ended September 30, 2024 used cash of \$21.0 million and primarily related to the following:

- additions to income-producing properties paid of \$18.6 million, primarily attributable to two expansion projects in Canada and Netherlands completed in the third quarter of 2024, and maintenance capital primarily in the United States;
- additions to development properties paid of \$0.8 million, primarily attributable to Granite's development projects in Canada and the United States;
- tenant allowances paid of \$0.3 million primarily attributable to tenant improvement activity for properties in the United States; and
- leasing costs paid of \$1.1 million primarily attributable to leasing activity for completed development properties in the United States.

Investing activities for the nine month period ended September 30, 2025 used cash of \$76.2 million and primarily related to the following:

- the acquisitions of two income-producing properties in the United States and the settlement of other acquisition related liabilities for \$49.2 million (see "*SIGNIFICANT MATTERS - Property Acquisitions*");
- additions to income-producing properties paid of \$13.3 million attributable to ongoing maintenance capital in the United States, Europe, and Canada;
- leasing costs paid of \$11.3 million largely relating to leasing activity for properties in the United States and Canada;

- additions to development properties paid of \$2.0 million, primarily attributable to Granite's development projects in the United States and Canada; and
- tenant allowances paid of \$0.3 million primarily related to tenant improvement activity for properties in the United States and Canada.

Investing activities for the nine month period ended September 30, 2024 used cash of \$49.5 million and primarily related to the following:

- additions to income-producing properties paid of \$38.5 million primarily attributable to two expansion projects in Canada and Netherlands completed in the third quarter of 2024, and maintenance capital in the United States, Canada and Europe;
- tenant allowances paid of \$5.0 million primarily related to tenant improvement activity for properties in the United States;
- additions to development properties paid of \$2.8 million, primarily attributable to Granite's development projects in Canada and the United States;
- the final settlement attributable to a previously completed acquisition of \$0.8 million; and
- leasing costs paid of \$2.3 million primarily attributable to leasing activity for properties in the United States.

Financing Activities

Cash used in financing activities for the three month period ended September 30, 2025 of \$64.8 million was primarily comprised of:

- \$51.5 million of monthly distribution payments; and
- \$13.0 million of net repayments on the Credit Facility.

Cash used in financing activities for the three month period ended September 30, 2024 of \$52.0 million was largely comprised of \$51.8 million of monthly distribution payments.

Cash used in financing activities for the nine month period ended September 30, 2025 of \$225.3 million was largely comprised of:

- \$156.6 million of monthly distribution payments;
- \$300.0 million used for the repayment of the December 2026 Term Loan; 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
- \$78.0 million of net draws on the Credit Facility.

Cash used in financing activities for the nine month period ended September 30, 2024 of \$201.5 million was largely comprised of:

- \$156.1 million of monthly distribution payments; and
- \$44.2 million used for the repurchase of units under the NCIB.

Debt Structure

Granite's debt structure and key debt metrics as at September 30, 2025 and December 31, 2024 were as follows:

Summary Debt Structure and Debt Metrics				
As at September 30, 2025 and December 31, 2024		2025		2024
Unsecured debt, net		\$ 3,166.5	\$	3,078.5
Derivatives, net ⁽⁴⁾		134.2		(25.1)
Lease obligations		34.8		34.4
Total unsecured debt	[A]	\$ 3,335.5	\$	3,087.8
Secured debt		—		—
Total debt ⁽¹⁾⁽⁴⁾	[B]	\$ 3,335.5	\$	3,087.8
Less: cash and cash equivalents		127.9		126.2
Net debt ⁽¹⁾⁽⁴⁾	[C]	\$ 3,207.6	\$	2,961.6
Investment properties	[D]	\$ 9,102.5	\$	9,397.3
Unencumbered Assets ⁽⁵⁾	[E]	\$ 9,102.5	\$	9,397.3
Trailing 12-month adjusted EBITDA ⁽¹⁾	[F]	\$ 457.8	\$	437.4
Interest expense		\$ 95.9	\$	89.9
Interest income		(5.8)		(7.1)
Trailing 12-month interest expense, net	[G]	\$ 90.1	\$	82.8
Debt metrics				
Leverage ratio ⁽²⁾	[B]/[D]	37 %		33 %
Net leverage ratio ⁽²⁾	[C]/[D]	35 %		32 %
Interest coverage ratio ⁽²⁾	[F]/[G]	5.1x		5.3x
Unencumbered asset coverage ratio ⁽²⁾	[E]/[A]	2.7x		3.0x
Indebtedness ratio ⁽²⁾	[B]/[F]	7.3x		7.1x
Weighted average cost of debt ⁽³⁾		2.70 %		2.74 %
Weighted average debt term-to-maturity, in years ⁽³⁾		3.6		4.3
Ratings and outlook				
Morningstar DBRS		BBB (high)		BBB (high)
		stable		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 carrying 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 September 30, 2025, all of the 2026 Debentures remained outstanding and the balance, net of deferred financing costs, was \$299.4 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 September 30, 2025, all of the 2031 Debentures remained outstanding and the balance, net of deferred financing costs, was \$547.4 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 September 30, 2025, all of the October 2029 Debentures remained outstanding and the balance, net of deferred financing costs, was \$248.9 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 September 30, 2025, all of the April 2029 Debentures remained outstanding and the balance, net of deferred financing costs, was \$398.3 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. 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. As at September 30, 2025,

€60.0 million has been drawn and the balance, net of deferred financing costs, was \$98.0 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 September 30, 2025, all of the 2028 Debentures remained outstanding and the balance, net of deferred financing costs, was \$498.8 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 September 30, 2025, all of the 2030 Debentures remained outstanding and the balance, net of deferred financing costs, was \$498.4 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 September 30, 2025, all of the 2027 Debentures remained outstanding and the balance, net of deferred financing costs, was \$499.2 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 September 30, 2025, the Trust had \$78.0 million drawn and \$3.2 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 September 30, 2025 and December 31, 2024:

As at						September 30, 2025	December 31, 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	—	4.333 %	—	EURIBOR plus margin	Sept. 8, 2026	\$ (1,386)	\$ (1,502)
December 2026 Cross Currency Interest Rate Swap ⁽¹⁾	205,500 EUR	1.355 %	300,000 CAD	CORRA plus margin	Dec. 11, 2026	(26,286)	9,499
2027 Cross Currency Interest Rate Swap	370,300 USD	2.964 %	500,000 CAD	3.062 %	June 4, 2027	(4,228)	(13,255)
2028 Cross Currency Interest Rate Swap	119,100 USD	2.096 %	150,000 CAD	2.194 %	Aug. 30, 2028	(10,375)	(11,941)
2028 Cross Currency Interest Rate Swap	242,100 EUR	0.536 %	350,000 CAD	2.194 %	Aug. 30, 2028	(29,548)	5,270
April 2029 Cross Currency Interest Rate Swap ⁽²⁾	277,700 EUR	4.958 %	400,000 CAD	6.103 %	Apr. 12, 2029	(46,144)	(5,594)
October 2029 Cross Currency Interest Rate Swap	167,400 EUR	3.494 %	250,000 CAD	3.999 %	Oct. 4, 2029	(22,151)	(6)
2030 Cross Currency Interest Rate Swap	319,400 EUR	1.045 %	500,000 CAD	2.378 %	Dec. 18, 2030	5,926	42,606
						\$ (134,192)	\$ 25,077

(1) 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%.

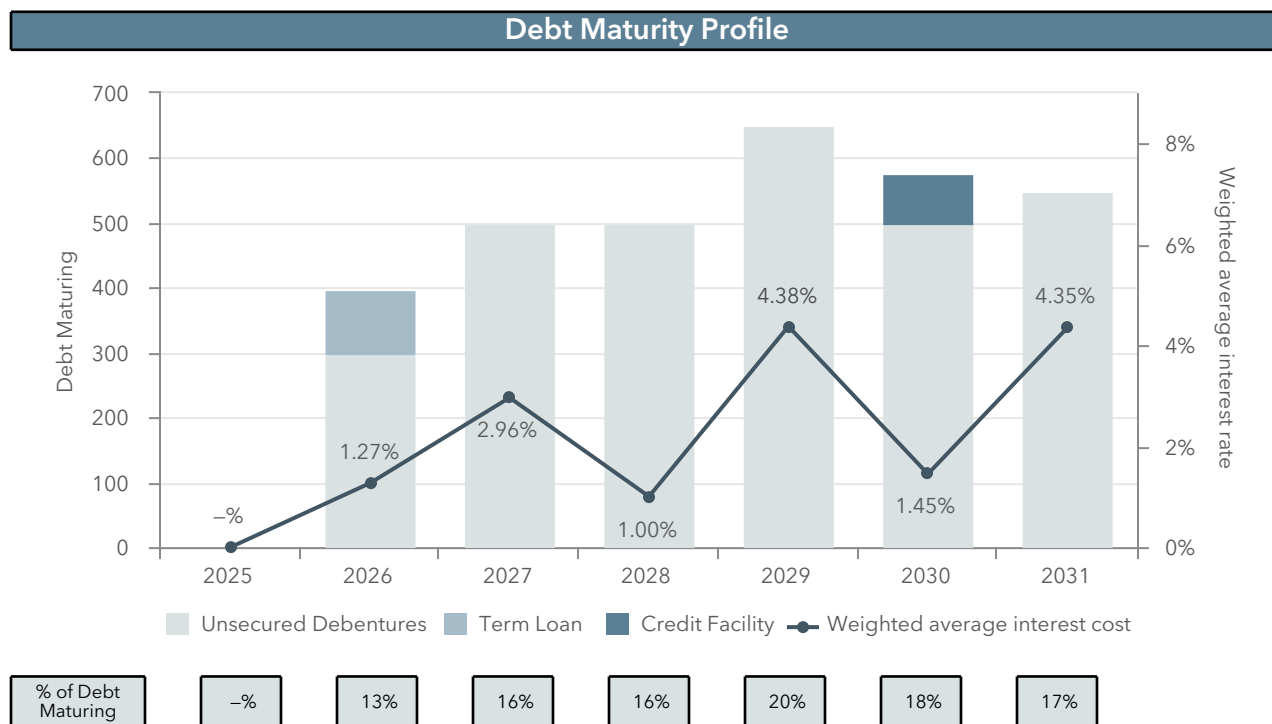
(2) In combination with the April 2029 Debentures, the all-in effective fixed interest rate is 4.929%.

The below table summarizes Granite's zero-cost foreign exchange collars outstanding as at September 30, 2025 and September 30, 2024:

Foreign Exchange Collars				
September 30, 2025				
USDCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (US\$)	Total Notional Amount (US\$)	Protection Rate	Participation Rate
October to December 2025	7.0	21.0	1.3600	1.4425
EURCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (€)	Total Notional Amount (€)	Protection Rate	Participation Rate
October to December 2025	2.0	6.0	1.4700	1.5700
January to June 2026	2.0	12.0	1.5100	1.5975
July to December 2026	2.0	12.0	1.5500	1.6200
September 30, 2024				
USDCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (US\$)	Total Notional Amount (US\$)	Protection Rate	Participation Rate
October to December 2024	6.0	18.0	1.3400	1.4250
EURCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (€)	Total Notional Amount (€)	Protection Rate	Participation Rate
October to December 2024	2.0	6.0	1.4500	1.5710
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 September 30, 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 September 30, 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 a reduction in investment properties, mainly driven by the classification of certain assets as held for sale. 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 loans, and credit facility agreements contain financial and non-financial covenants that include maintaining certain leverage and debt service ratios. As at September 30, 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 November 5, 2025, the Trust had 60,590,989 units issued and outstanding.

As at November 5, 2025, the Trust had 118,585 restricted units (representing the right to receive 118,585 units) and 116,968 performance units (representing the right to receive a maximum of 233,936 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 November 5, 2025, the Trust had 146,402 deferred share units (representing the right to receive 146,402 units) outstanding under the Trust's Director/Trustee Deferred Share Unit Plan.

Distributions

Granite REIT's monthly distribution to unitholders is currently \$0.2833 per unit. For 2025, based on its current monthly rate, Granite expects to make total annual distributions of \$3.40 per unit.

Total distributions declared to unitholders in the three month periods ended September 30, 2025 and 2024 were \$51.5 million or \$0.8499 per unit and \$51.8 million or \$0.8250 per unit, respectively. Total distributions declared to unitholders in the nine month periods ended September 30, 2025 and 2024 were \$156.0 million or \$2.55 per unit and \$156.0 million or \$2.48 per unit, respectively.

The distributions declared in October 2025 in the amount of \$17.2 million or \$0.2833 per unit will be paid on November 14, 2025.

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net Income	\$ 68.0	\$ 111.8	\$ 207.1	\$ 277.1
Cash flows provided by operating activities	122.0	106.7	303.7	267.4
Monthly cash distributions paid and payable	(51.5)	(51.8)	(156.0)	(156.0)
Cash flows from operating activities in excess of distributions paid and payable	\$ 70.5	\$ 54.9	\$ 147.7	\$ 111.4

Monthly distributions for the three and nine months ended September 30, 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 September 30, 2025, there were no unit repurchases under the NCIB. During the nine month period ended September 30, 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 September 30, 2024, there were no unit repurchases under the NCIB. During the nine months ended September 30, 2024, Granite repurchased 644,300 units at an average unit cost of \$68.62 for total consideration of \$44.2 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 September 30, 2025, the Trust had \$3.2 million in letters of credit outstanding. As at September 30, 2025, the Trust's contractual commitments totaled \$63.7 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 16 to the unaudited condensed consolidated combined financial statements for the three and nine months ended September 30, 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, 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 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 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 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 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 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, 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 September 30, 2025 and December 31, 2024	2025	2024
Net income attributable to unitholders	\$ 290.6	\$ 360.6
Add (deduct):		
Interest expense and other financing costs	95.9	89.9
Interest income	(5.8)	(7.1)
Income tax expense	3.4	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	67.5	(53.0)
Fair value (gains) on financial instruments, net	(12.5)	(5.2)
Foreign exchange losses on certain monetary items	16.7	16.7
Corporate restructuring costs	1.7	3.5
Non-controlling interests relating to the above	(0.1)	0.3
Adjusted EBITDA	\$ 457.8	\$ 437.4

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 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 September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
<i>(in millions, except as noted)</i>					
Monthly distributions declared to unitholders	[A]	\$51.5	\$51.8	\$156.0	\$156.0
FFO	[B]	89.9	85.2	266.4	251.2
AFFO	[C]	77.0	76.6	240.5	228.4
FFO payout ratio	[A]/[B]	57%	61%	59%	62%
AFFO payout ratio	[A]/[C]	67%	68%	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 carrying value of investment properties (excluding assets held for sale) that are not encumbered by secured debt divided by the carrying value of total unsecured debt and is a supplemental measure that Granite believes is useful in evaluating the Trust's degree of asset coverage provided by its unencumbered investment properties to total unsecured debt (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 condensed 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, 2024. 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, 2024. 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 three and nine months ended September 30, 2025. Refer to the "INVESTMENT PROPERTIES" section and note 4 of the unaudited condensed consolidated combined financial statements for the three and nine months ended September 30, 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 unaudited condensed 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 unaudited condensed consolidated combined balance sheets and also the deferred income tax expense in the unaudited condensed 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.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the third quarter of 2025, there were no changes in the Trust's internal controls over financial reporting that had materially affected or are reasonably likely to materially affect the internal controls over financial reporting.

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 and Annual Report on Form 40-F filed with the SEC and available online on EDGAR at www.sec.gov, each in respect of the year ended December 31, 2024 and remain substantially unchanged in respect of the three and nine months ended September 30, 2025, except for the following:

Unpredictable Global Trade and Tariff Environment

Recent trade measures implemented by the current U.S. administration have contributed to a volatile and unpredictable trade environment by imposing or expanding tariffs and in some cases, modifying or suspending some of the tariffs recently imposed. The breadth, timing, duration, and financial impact of these tariffs remain highly unpredictable, making it difficult to assess their ultimate impact on global trade and supply chains. These trade actions, along with potential retaliatory measures by other countries, may result in higher input and operational costs for certain of Granite's tenants, particularly those engaged in manufacturing (including the automotive sector and Granite's tenant Magna). The tariffs may also negatively affect consumer demand and global distribution flows, thereby impacting certain of Granite's tenants engaged in e-commerce, distribution and warehousing, and in particular, those tenants that export to the U.S. These risks, among others, could have a material adverse effect on certain of Granite's tenants, including their ability to enter into new leasing transactions or to satisfy rental payments under existing leases, and, in turn, on Granite's profitability and financial condition. Further, recent tariff and trade measures have triggered volatility in capital markets, reflecting a broader concern about sustained inflation and the potential of an economic recession across all of Granite's markets which has the potential to impact the value of Granite's properties and the availability or terms of future financing options, as disclosed in Granite's prior filings.

QUARTERLY FINANCIAL DATA (UNAUDITED)

(in millions, except as noted)	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23
Operating highlights⁽³⁾								
Revenue	\$ 153.0	\$ 149.3	\$ 154.7	\$ 148.0	\$ 141.9	\$ 140.3	\$ 138.9	\$ 129.8
NOI - cash basis ⁽¹⁾	124.7	121.1	123.0	118.6	116.2	113.7	111.4	108.0
Constant currency same property NOI - cash basis ⁽⁵⁾	5.2%	4.6%	4.7%	6.3%	6.2%	6.0%	4.9%	4.7%
Fair value (losses) gains on investment properties, net	(34.6)	16.8	(48.2)	(1.5)	42.6	(0.8)	12.7	(33.0)
Net income attributable to unitholders	68.0	95.0	43.9	83.7	111.6	76.2	89.1	31.4
Cash provided by operating activities	122.0	72.8	108.9	71.2	106.7	76.7	84.0	76.0
FFO ⁽¹⁾	89.9	85.4	91.0	92.7	85.2	83.5	82.4	81.2
AFFO ⁽¹⁾	77.0	75.1	88.4	78.8	76.6	73.8	77.9	73.2
FFO payout ratio ⁽²⁾	57%	61%	58%	56%	61%	62%	63%	63%
AFFO payout ratio ⁽²⁾	67%	69%	60%	66%	68%	70%	67%	70%
Per unit amounts								
Diluted FFO ⁽¹⁾	\$ 1.48	\$ 1.39	\$ 1.46	\$ 1.47	\$ 1.35	\$ 1.32	\$ 1.30	\$ 1.27
Diluted AFFO ⁽¹⁾	\$ 1.26	\$ 1.23	\$ 1.41	\$ 1.25	\$ 1.22	\$ 1.17	\$ 1.22	\$ 1.15
Monthly distributions paid	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.83	\$ 0.83	\$ 0.83	\$ 0.83	\$ 0.80
Diluted weighted average number of units	60.9	61.3	62.5	63.0	63.0	63.2	63.6	63.8
Financial highlights								
Investment properties ⁽⁴⁾	\$ 9,102.5	\$ 9,022.8	\$ 9,441.2	\$ 9,397.3	\$ 9,094.5	\$ 9,035.6	\$ 8,952.4	\$ 8,808.1
Assets held for sale	370.7	310.5	—	—	—	—	—	—
Cash and cash equivalents	127.9	86.4	123.1	126.2	133.5	101.3	139.9	116.1
Total debt ⁽¹⁾	3,335.5	3,302.5	3,162.1	3,087.8	3,080.5	3,036.1	3,034.5	2,998.4
Total capital expenditures incurred	9.1	6.6	0.4	5.1	10.0	15.4	7.8	(1.8)
Total leasing costs and tenant improvements incurred	4.4	4.2	1.0	8.6	1.6	5.6	1.1	5.3
Property metrics⁽⁴⁾								
Number of income-producing properties	134	135	138	138	138	138	138	137
GLA, square feet	60.9	60.6	63.3	63.3	63.3	63.3	63.3	62.9
Occupancy, by GLA	96.8%	95.8%	94.8%	94.9%	94.3%	94.5%	95.0%	95.0%
Weighted average lease term, years	5.5	5.5	5.6	5.7	5.9	5.9	6.1	6.2

(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 condensed 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.

(in millions)	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23
Revenue	\$ 153.0	\$ 149.3	\$ 154.7	\$ 148.0	\$ 141.9	\$ 140.3	\$ 138.9	\$ 129.8
Less: Property operating costs	25.9	25.9	29.0	26.8	22.3	23.5	24.4	19.8
NOI	127.1	123.4	125.7	121.2	119.6	116.8	114.5	110.0
Add (deduct):								
Lease termination and close-out fees	—	—	(0.8)	—	—	(0.5)	—	—
Straight-line rent amortization	(2.4)	(2.3)	(1.9)	(2.6)	(3.4)	(2.6)	(3.2)	(3.1)
Tenant incentive amortization	—	—	—	—	—	—	0.1	1.1
NOI - cash basis	\$ 124.7	\$ 121.1	\$ 123.0	\$ 118.6	\$ 116.2	\$ 113.7	\$ 111.4	\$ 108.0

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.

(in millions)	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23
Net income attributable to unitholders	\$ 68.0	\$ 95.0	\$ 43.9	\$ 83.7	\$ 111.6	\$ 76.2	\$ 89.1	\$ 31.4
Add (deduct):								
Fair value losses (gains) on investment properties, net	34.6	(16.8)	48.2	1.5	(42.6)	0.8	(12.7)	33.0
Fair value losses (gains) on financial instruments	0.9	(0.7)	(0.1)	(12.6)	2.9	2.5	2.0	15.4
Foreign exchange losses on certain monetary items ⁽¹⁾	—	—	—	16.7	—	—	—	—
Deferred income tax (recovery) expense	(17.5)	8.0	(0.3)	3.7	9.3	5.4	3.8	0.9
Fair value remeasurement of the Executive Deferred Unit Plan	2.8	(0.4)	(0.3)	(0.7)	1.4	(1.2)	0.2	(0.4)
Fair value remeasurement of the Directors Deferred Unit Plan	1.1	0.2	(0.3)	(1.5)	1.8	(1.2)	—	0.4
Corporate restructuring costs ⁽²⁾	—	—	—	1.7	0.7	0.9	0.2	—
Non-controlling interests relating to the above	—	0.1	(0.1)	0.2	0.1	0.1	(0.2)	0.5
FFO	\$ 89.9	\$ 85.4	\$ 91.0	\$ 92.7	\$ 85.2	\$ 83.5	\$ 82.4	\$ 81.2
Add (deduct):								
Maintenance or improvement capital expenditures incurred	(8.9)	(3.8)	(0.4)	(4.3)	(3.7)	(5.8)	(0.6)	(0.9)
Leasing costs	(1.6)	(4.1)	(0.3)	(5.4)	(1.5)	(0.3)	(0.2)	(1.0)
Tenant allowances	—	(0.1)	—	(1.6)	—	(1.0)	(0.6)	(4.1)
Tenant incentive amortization	—	—	—	—	—	—	0.1	1.1
Straight-line rent amortization	(2.4)	(2.3)	(1.9)	(2.6)	(3.4)	(2.6)	(3.2)	(3.1)
Non-controlling interests relating to the above	—	—	—	—	—	—	—	—
AFFO	\$ 77.0	\$ 75.1	\$ 88.4	\$ 78.8	\$ 76.6	\$ 73.8	\$ 77.9	\$ 73.2

⁽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>	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23
Unsecured debt, net	\$ 3,166.5	\$3,176.9	\$3,092.1	\$3,078.5	\$3,088.9	\$3,095.6	\$3,085.8	\$3,066.0
Derivatives, net	134.2	90.8	35.3	(25.1)	(43.1)	(94.1)	(86.1)	(100.8)
Lease obligations	34.8	34.8	34.7	34.4	34.7	34.6	34.8	33.2
Total unsecured debt	3,335.5	3,302.5	3,162.1	3,087.8	3,080.5	3,036.1	3,034.5	2,998.4
Secured debt	—	—	—	—	—	—	—	—
Total debt	\$ 3,335.5	\$3,302.5	\$3,162.1	\$3,087.8	\$3,080.5	\$3,036.1	\$3,034.5	\$2,998.4

FORWARD-LOOKING STATEMENTS

This MD&A may contain statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation, including the United States Securities Act of 1933, as amended, the United States Securities Exchange Act of 1934, as amended, and applicable Canadian securities legislation. Forward-looking statements and forward-looking information may include, among others, statements regarding Granite’s future plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, capital structure, cost of capital, tenant base, tax consequences, economic performance or expectations, or the assumptions underlying any of the foregoing. Words such as “outlook”, “may”, “would”, “could”, “should”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “seek” and similar expressions are used to identify forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results and will not necessarily be accurate indications of whether or the times at or by which such future performance will be achieved. Undue reliance should not be placed on such statements. There can also be no assurance that Granite’s expectations regarding various matters, including the following, will be realized in a timely manner, with the expected impact or at all: the effectiveness of measures intended to mitigate such impact, and Granite’s ability to deliver cash flow stability and growth and create long-term value for unitholders; Granite’s ability to advance its ESG+R program and related targets and goals; the expansion and diversification of Granite’s real estate portfolio and the reduction in Granite’s exposure to Magna and the special purpose properties; Granite’s ability to dispose of assets held for sale; 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 2025; Granite’s 2025 outlook for FFO per unit, AFFO per unit and constant currency same property NOI, including the anticipated impact of future foreign currency exchange rates on FFO and AFFO per unit and expectations regarding Granite’s business strategy; fluctuations in foreign currency exchange rates and the effect on Granite’s revenues, expenses, cash flows, assets and liabilities; Granite’s ability to offset interest or realize interest savings relating to its term loans, debentures and cross currency interest rate swaps; Granite’s ability to find and integrate satisfactory acquisition, joint venture and development opportunities and to strategically deploy the proceeds from recently sold properties and financing initiatives; Granite’s intended use of available liquidity, its ability to obtain secured funding against its unencumbered assets and its expectations regarding the funding of its ongoing operations and future growth; any future offerings under Granite’s 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; estimates regarding Granite’s development properties and expansion projects, including square footage of construction, total construction costs and total costs; Granite’s ability to meet its target occupancy goals; Granite’s ability to secure sustainability or other certifications for any of its properties; Granite’s ability to generate peak solar capacity on its properties; the impact of the refinancing of the term loans on Granite’s returns and cash flow; the amount of any distributions; and the effect of any legal proceedings on Granite. Forward-looking statements and forward-looking information are based on information available at the

time and/or management's good faith assumptions and analyses made in light of Granite's perception of historical trends, current conditions and expected future developments, as well as other factors Granite believes are appropriate in the circumstances. Forward-looking statements and forward-looking information are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond Granite's control, that could cause actual events or results to differ materially from such forward-looking statements and forward-looking information. Important factors that could cause such differences include, but are not limited to, the risk of changes to tax or other laws and treaties that may adversely affect Granite'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 2024 dated February 26, 2025, filed on SEDAR+ at www.sedarplus.ca and attached as Exhibit 1 to the Trust's Annual Report on Form 40-F for the year ended December 31, 2024 filed with the SEC and available online on EDGAR at www.sec.gov, all of which investors are strongly advised to review. The "Risk Factors" section also contains information about the material factors or assumptions underlying such forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information speak only as of the date the statements and information were made and unless otherwise required by applicable securities laws, Granite expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements or forward-looking information contained in this MD&A to reflect subsequent information, events or circumstances or otherwise.



Condensed Consolidated Combined Financial Statements of Granite Real Estate Investment Trust

For the three and nine months ended September 30, 2025 and 2024

Condensed Consolidated Combined Balance Sheets

(Canadian dollars in thousands)

(Unaudited)

As at	Note	September 30, 2025	December 31, 2024
ASSETS			
Non-current assets:			
Investment properties	4	\$ 9,102,511	\$ 9,397,286
Deferred tax assets		738	668
Fixed assets, net		3,301	3,914
Derivatives	7(c)	5,926	57,375
Other assets	6	2,490	2,499
		9,114,966	9,461,742
Current assets:			
Assets held for sale	5	370,701	—
Accounts receivable		7,114	18,347
Income taxes receivable		325	534
Prepaid expenses and other		10,762	12,947
Cash and cash equivalents	14(d)	127,927	126,175
Total assets		\$ 9,631,795	\$ 9,619,745
LIABILITIES AND EQUITY			
Non-current liabilities:			
Unsecured debt, net	7(a),7(b)	\$ 3,068,498	\$ 3,078,453
Derivatives	7(c)	138,732	32,298
Long-term portion of lease obligations	8	33,853	33,442
Deferred tax liabilities		592,239	591,896
		3,833,322	3,736,089
Current liabilities:			
Unsecured debt, net	7(b)	97,989	—
Derivative	7(c)	1,386	—
Deferred revenue	9	21,577	18,685
Accounts payable and accrued liabilities	9	132,044	99,074
Distributions payable	10	17,157	17,762
Short-term portion of lease obligations	8	970	945
Income taxes payable		12,194	10,561
Total liabilities		4,116,639	3,883,116
Equity:			
Unitholders' equity	11	5,506,460	5,728,236
Non-controlling interests		8,696	8,393
Total equity		5,515,156	5,736,629
Total liabilities and equity		\$ 9,631,795	\$ 9,619,745

Commitments and contingencies (note 16)
See accompanying notes

On behalf of the Board:

/s/ Kelly Marshall
Trustee

/s/ Emily Pang
Trustee

Condensed Consolidated Combined Statements of Net Income

(Canadian dollars in thousands)

(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2025	2024	2025	2024
Rental revenue	12(a)	\$ 153,009	\$ 141,893	\$ 456,127	\$ 420,600
Lease termination and close-out fees		—	—	811	496
Revenue		153,009	141,893	456,938	421,096
Property operating costs	12(b)	25,860	22,328	80,745	70,255
Net operating income		127,149	119,565	376,193	350,841
General and administrative expenses	12(c)	14,115	13,170	32,608	30,609
Depreciation and amortization		290	332	909	965
Interest income		(683)	(1,203)	(2,396)	(3,687)
Interest expense and other financing costs	12(d)	24,518	22,290	72,123	66,086
Foreign exchange (gains) losses, net		(76)	917	1,028	512
Fair value losses (gains) on investment properties, net	4	34,624	(42,627)	66,059	(54,473)
Fair value losses on financial instruments, net	12(e)	843	2,877	18	7,404
Income before income taxes		53,518	123,809	205,844	303,425
Income tax (recovery) expense	13	(14,495)	11,962	(1,226)	26,298
Net income		\$ 68,013	\$ 111,847	\$ 207,070	\$ 277,127
Net income attributable to:					
Unitholders		\$ 68,009	\$ 111,587	\$ 206,858	\$ 276,851
Non-controlling interests		4	260	212	276
		\$ 68,013	\$ 111,847	\$ 207,070	\$ 277,127

See accompanying notes

Condensed Consolidated Combined Statements of Comprehensive Income

(Canadian dollars in thousands)

(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2025	2024	2025	2024
Net income		\$ 68,013	\$ 111,847	\$ 207,070	\$ 277,127
Other comprehensive income (loss):					
Foreign currency translation adjustment ⁽¹⁾		144,057	(1,141)	41,336	164,232
Unrealized loss on net investment hedges, including income taxes of nil ⁽¹⁾	7(c)	(46,245)	(42,236)	(168,314)	(73,252)
Total other comprehensive income (loss)		97,812	(43,377)	(126,978)	90,980
Comprehensive income		\$ 165,825	\$ 68,470	\$ 80,092	\$ 368,107
⁽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.					
Comprehensive income (loss) attributable to:					
Unitholders		\$ 165,637	\$ 68,297	\$ 80,133	\$ 367,678
Non-controlling interests		188	173	(41)	429
		\$ 165,825	\$ 68,470	\$ 80,092	\$ 368,107

See accompanying notes

Condensed Consolidated Combined Statements of Unitholders' Equity

(Canadian dollars in thousands)

(Unaudited)

Nine Months Ended September 30, 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	–	–	–	206,858	–	206,858	212	207,070	
Other comprehensive loss	–	–	–	–	(126,725)	(126,725)	(253)	(126,978)	
Distributions (note 10)	–	–	–	(156,039)	–	(156,039)	(208)	(156,247)	
Contributions from non- controlling interests	–	–	–	–	–	–	552	552	
Units issued under the unit plan (note 11(a))	24	1,609	–	–	–	1,609	–	1,609	
Units repurchased for cancellation (note 11(b))	(2,158)	(147,479)	–	–	–	(147,479)	–	(147,479)	
As at September 30, 2025	60,591	\$3,145,875	\$ –	\$1,837,978	\$ 522,607	\$ 5,506,460	\$ 8,696	\$5,515,156	

Nine Months Ended September 30, 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	–	–	–	276,851	–	276,851	276	277,127	
Other comprehensive income	–	–	–	–	90,827	90,827	153	90,980	
Distributions (note 10)	–	–	–	(155,919)	–	(155,919)	(32)	(155,951)	
Contributions from non- controlling interests	–	–	–	–	–	–	18	18	
Units issued under the unit plan (note 11(a))	29	2,114	–	–	–	2,114	–	2,114	
Units repurchased for cancellation (note 11(b))	(644)	(39,855)	(5,250)	–	–	(45,105)	–	(45,105)	
As at September 30, 2024	62,741	\$3,292,792	\$ –	\$1,755,680	\$ 397,247	\$ 5,445,719	\$ 7,105	\$5,452,824	

See accompanying notes

Condensed Consolidated Combined Statements of Cash Flows

(Canadian dollars in thousands)

(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2025	2024	2025	2024
OPERATING ACTIVITIES					
Net income		\$ 68,013	\$ 111,847	\$ 207,070	\$ 277,127
Items not involving operating cash flows	14(a)	22,543	(28,032)	62,274	(28,780)
Current income tax expense	13(a)	3,004	2,676	8,510	7,826
Income taxes paid		(1,848)	(2,194)	(7,658)	(6,284)
Interest expense		23,671	21,489	69,451	63,706
Interest paid		(6,162)	(12,853)	(51,799)	(53,794)
Changes in working capital balances	14(b)	12,769	13,751	15,866	7,578
Cash provided by operating activities		121,990	106,684	303,714	267,379
INVESTING ACTIVITIES					
Investment properties:					
Acquisitions and transactions costs, net		–	(2)	(49,232)	(829)
Leasing costs paid		(5,951)	(1,165)	(11,299)	(2,323)
Tenant allowances paid		(114)	(291)	(329)	(4,992)
Additions to income-producing properties		(9,041)	(18,596)	(13,309)	(38,471)
Additions to development properties		(715)	(763)	(2,009)	(2,795)
Construction funds released (in) from escrow		–	(14)	–	61
Fixed asset additions, net		(61)	(51)	(62)	(97)
Cash used in investing activities		(15,882)	(20,882)	(76,240)	(49,446)
FINANCING ACTIVITIES					
Monthly distributions paid		(51,497)	(51,760)	(156,643)	(156,088)
Proceeds from unsecured debentures, net of financing costs	7(b)	–	–	299,333	–
Repayment of unsecured term loan	7(b)	–	–	(300,000)	–
Proceeds from unsecured credit facility draws		32,500	–	182,500	–
Repayment of unsecured credit facility draws		(45,500)	–	(104,500)	–
Repurchase of units	11(b)	–	–	(144,594)	(44,221)
Payment of lease obligations		(255)	(236)	(726)	(660)
Financing costs paid		–	–	(418)	(541)
Distributions to non-controlling interests		–	–	(208)	(32)
Cash used in financing activities		(64,752)	(51,996)	(225,256)	(201,542)
Effect of exchange rate changes on cash and cash equivalents		148	(1,575)	(466)	963
Net increase in cash and cash equivalents during the period		41,504	32,231	1,752	17,354
Cash and cash equivalents, beginning of the period		86,423	101,257	126,175	116,134
Cash and cash equivalents, end of the period		\$ 127,927	\$ 133,488	\$ 127,927	\$ 133,488

See accompanying notes

Notes to Condensed Consolidated Combined Financial Statements

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

(Unaudited)

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 trade 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.

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

(a) Basis of Presentation and Statement of Compliance

The condensed consolidated combined financial statements for the three and nine month periods ended September 30, 2025 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated combined financial statements do not include all the information and disclosures required in the annual financial statements, which were prepared in accordance with IFRS[®] Accounting Standards as issued by the IASB ("IFRS Accounting Standards" or "GAAP"), and should be read in conjunction with the Trust's annual financial statements as at and for the year ended December 31, 2024.

These condensed consolidated combined financial statements were approved by the Board of Trustees of Granite REIT on November 5, 2025.

(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 condensed consolidated combined financial statements included the combined results of Granite REIT and Granite GP for reporting periods ended on or prior 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 condensed 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 balances, income and expenses and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

(c) Accounting Policies

The condensed consolidated combined financial statements have been prepared using the same accounting policies as were used for the Trust's annual consolidated combined financial statements and the notes thereto for the year ended December 31, 2024.

(d) Future Accounting Policy Changes

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.

3. ACQUISITIONS

During the nine month period ended September 30, 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
			\$ 49,546	\$ 200	\$ 49,746

During the nine month period ended September 30, 2025, transaction costs of \$0.2 million, which included 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 condensed consolidated combined statement of net income as a result of measuring the properties at fair value.

During the nine month period ended September 30, 2024, Granite did not acquire any properties.

4. INVESTMENT PROPERTIES

As at	September 30, 2025	December 31, 2024
Income-producing properties	\$ 8,994,717	\$ 9,297,137
Development properties ⁽¹⁾	107,794	100,149
	\$ 9,102,511	\$ 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:

	Nine Months Ended September 30, 2025		Year Ended December 31, 2024	
	Income- producing properties	Development properties ⁽¹⁾	Income- producing properties	Development properties ⁽¹⁾
Balance, beginning of period	\$ 9,297,137	\$ 100,149	\$ 8,641,352	\$ 166,787
Maintenance or improvements	13,175	—	15,381	—
Leasing costs	9,127	4,231	8,218	—
Tenant allowances	329	—	8,675	—
Developments or expansions	3,038	4,188	22,979	4,448
Acquisitions (note 3)	49,746	—	—	—
Transfer to income-producing properties	—	—	72,701	(72,701)
Amortization of straight-line rent	6,668	—	11,843	—
Amortization of tenant allowances	—	—	(54)	—
Other changes	85	—	85	(51)
Fair value (losses) gains, net	(66,059)	—	53,037	—
Foreign currency translation, net	52,172	(774)	462,920	1,666
Classified as assets held for sale (note 5)	(370,701)	—	—	—
Balance, end of period	\$ 8,994,717	\$ 107,794	\$ 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 period.

Included in investment properties as at September 30, 2025 is \$86.0 million (December 31, 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 16).

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	September 30, 2025 ⁽¹⁾			December 31, 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 ..	6.17 %	9.25 %	5.50 %	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 %
Total						
Discount rate	7.25 %	10.75 %	5.60 %	7.11 %	10.50 %	5.75 %
Terminal capitalization rate ..	6.22 %	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.

5. ASSETS HELD FOR SALE

At September 30, 2025, six income-producing properties located in the United States and Netherlands having a total fair value of \$370.7 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	September 30, 2025	December 31, 2024
Deferred financing costs associated with the revolving credit facility	\$ 2,278	\$ 2,235
Long-term receivables	212	264
	\$ 2,490	\$ 2,499

7. UNSECURED DEBT AND RELATED DERIVATIVES

As at	September 30, 2025	December 31, 2024
Unsecured Debt, Net		
Unsecured debentures and term loans, net	\$ 3,088,487	\$ 3,078,453
Unsecured revolving credit facility	78,000	–
	\$ 3,166,487	\$ 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 September 30, 2025, the Trust had an outstanding balance of \$78.0 million (December 31, 2024 – nil) on the Credit Facility and \$3.2 million (December 31, 2024 – \$2.8 million) in letters of credit issued against the Credit Facility.

(b) Unsecured Debentures and Term Loans, Net

As at		September 30, 2025		December 31, 2024	
	Maturity Date	Amortized Cost ⁽¹⁾	Principal issued and outstanding	Amortized Cost ⁽¹⁾	Principal issued and outstanding
2026 Debentures	December 11, 2026	\$ 299,437	\$ 300,000	\$ –	\$ –
2027 Debentures	June 4, 2027	499,210	500,000	498,857	500,000
2028 Debentures	August 30, 2028	498,820	500,000	498,518	500,000
April 2029 Debentures	April 12, 2029	398,285	400,000	397,947	400,000
October 2029 Debentures	October 4, 2029	248,943	250,000	248,746	250,000
2030 Debentures	December 18, 2030	498,373	500,000	498,139	500,000
2031 Debentures	October 4, 2031	547,430	550,000	547,110	550,000
September 2026 Term Loan	September 8, 2026	97,989	98,048	89,336	89,443
December 2026 Term Loan	December 11, 2026	–	–	299,800	300,000
		\$ 3,088,487	\$ 3,098,048	\$ 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	September 30, 2025	December 31, 2024
Unsecured Debentures and Term Loans, Net		
Non-current	\$ 2,990,498	\$ 3,078,453
Current	97,989	—
	\$ 3,088,487	\$ 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%).

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, which had a maturity date of December 11, 2026.

(c) Derivatives

As at							September 30, 2025		December 31, 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	—	—	4.333 %	—	—	EURIBOR plus margin Sept. 8, 2026	\$ (1,386)	\$	(1,502)
December 2026 Cross Currency Interest Rate Swap ⁽¹⁾	205,500	EUR	1.355 %	300,000	CAD	CORRA plus margin Dec. 11, 2026	(26,286)		9,499
2027 Cross Currency Interest Rate Swap	370,300	USD	2.964 %	500,000	CAD	3.062 % June 4, 2027	(4,228)		(13,255)
2028 Cross Currency Interest Rate Swap	119,100	USD	2.096 %	150,000	CAD	2.194 % Aug. 30, 2028	(10,375)		(11,941)
2028 Cross Currency Interest Rate Swap	242,100	EUR	0.536 %	350,000	CAD	2.194 % Aug. 30, 2028	(29,548)		5,270
April 2029 Cross Currency Interest Rate Swap ⁽²⁾	277,700	EUR	4.958 %	400,000	CAD	6.103 % Apr. 12, 2029	(46,144)		(5,594)
October 2029 Cross Currency Interest Rate Swap	167,400	EUR	3.494 %	250,000	CAD	3.999 % Oct. 4, 2029	(22,151)		(6)
2030 Cross Currency Interest Rate Swap	319,400	EUR	1.045 %	500,000	CAD	2.378 % Dec. 18, 2030	5,926		42,606
							\$ (134,192)	\$	25,077

⁽¹⁾ 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%.

⁽²⁾ In combination with the April 2029 Debentures, the all-in effective fixed interest rate is 4.929%.

	June 30, 2025		December 31, 2024	
Derivative assets at fair value				
Non-current	\$	5,926		57,375
	\$	5,926	\$	57,375
Derivative liabilities at fair value				
Non-current	\$	138,732	\$	32,298
Current		1,386		—
	\$	140,118	\$	32,298

For the three and nine month periods ended September 30, 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 income (loss).

For the three month period ended September 30, 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. For the nine month period ended September 30, 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 three and nine month periods ended September 30, 2025, net fair value gains of less than \$0.1 million and \$0.1 million have been recognized in fair value losses (gains) on financial instruments, net (note 12(e)) in the condensed consolidated combined statements of net income, due to 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 condensed consolidated combined statements of net income.

8. LEASE OBLIGATIONS

As at September 30, 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 September 30, 2025 in aggregate for the next five years and thereafter are as follows:

Remainder of 2025	\$ 204
2026	980
2027	695
2028	478
2029	497
2030 and thereafter	31,969
	\$ 34,823

During the three and nine month periods ended September 30, 2025, the Trust recognized \$0.4 million (2024 – \$0.4 million) and \$1.2 million (2024 – \$1.2 million) of interest expense, respectively, 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	September 30, 2025	December 31, 2024
Accounts payable	\$ 6,038	\$ 13,540
Commodity tax payable	7,498	7,521
Tenant security deposits	9,267	6,689
Employee unit-based compensation	12,472	7,957
Trustee/director unit-based compensation	10,799	9,865
Accrued salaries, incentives and benefits	5,600	6,988
Accrued interest payable	38,687	20,462
Accrued construction costs	3,199	2,282
Accrued professional fees	1,663	1,404
Acquisition related liabilities	531	—
Accrued property operating costs	24,654	10,714
Other tenant related liabilities	4,941	7,671
Accrued foreign exchange collar liabilities	1,422	1,329
Stock buyback tax payable	2,859	905
Other accrued liabilities	2,414	1,747
	\$ 132,044	\$ 99,074

10. DISTRIBUTIONS TO UNITHOLDERS

Total distributions declared to unitholders in the three month period ended September 30, 2025 were \$51.5 million (2024 – \$51.8 million) or \$0.8499 per unit (2024 – \$0.8250 per unit). Total distributions declared to unitholders in the nine month period ended September 30, 2025 were \$156.0 million (2024 – \$156.0 million) or \$2.55 per unit (2024 – \$2.48 per unit).

Distributions payable at September 30, 2025 of \$17.2 million (\$0.2833 per unit), representing the September 2025 monthly distributions, were paid on October 15, 2025. 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 September 30, 2025, the distributions declared in October 2025 in the amount of \$17.2 million or \$0.2833 per unit will be paid on November 14, 2025 (note 17).

11. UNITHOLDERS' EQUITY

(a) 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. A reconciliation of the changes in the notional deferred share units ("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	22	69.49	18	75.25
Settled	(24)	55.44	—	—
DSUs outstanding, September 30	140	\$ 69.18	141	\$ 66.90

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 units to executives and other employees (the "Participants"). 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⁾	124	69.11	81	75.33
Forfeited	(1)	103.52	(2)	79.63
PUs added by performance factor	—	—	7	73.84
Settled in cash	(24)	89.76	(29)	80.55
Settled in units	(24)	89.76	(29)	80.55
RUs and PUs outstanding, September 30⁽²⁾	236	\$ 71.59	173	\$ 79.01

⁽¹⁾ Includes 72.4 RUs and 42.9 PUs granted during the nine month period ended September 30, 2025 (2024 – 42.8 RUs and 32.2 PUs).

⁽²⁾ Total units outstanding at September 30, 2025 include a total of 119.0 RUs and 116.5 PUs granted (2024 – 80.5 RUs and 92.9 PUs).

The fair value of the outstanding RUs was \$6.6 million at September 30, 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 \$5.9 million at September 30, 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
PUs outstanding	116,537
Weighted average term to expiry ..	1.3 years
Average volatility rate	19.8%
Weighted average risk free interest rate	2.5%

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
DSUs for trustees/directors ⁽¹⁾	\$ 1,665	\$ 2,268	\$ 2,576	\$ 2,008
Restricted Unit Plan for executives and employees	4,224	2,561	6,497	4,064
Unit-based compensation expense	\$ 5,889	\$ 4,829	\$ 9,073	\$ 6,072
Fair value remeasurement expense included in the above:				
DSUs for trustees/directors	\$ 1,137	\$ 1,810	\$ 1,020	\$ 683
Restricted Unit Plan for executives and employees	2,754	1,505	2,010	519
Total fair value remeasurement expense	\$ 3,891	\$ 3,315	\$ 3,030	\$ 1,202

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

(b) 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 nine month period ended September 30, 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 nine month period ended September 30, 2024, Granite repurchased 644,300 units at an average unit cost of \$68.62 for total consideration of \$44.2 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.

(c) Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of the following:

As at September 30,	2025	2024
Foreign currency translation gains on investments in subsidiaries, net of related hedging activities and non-controlling interests ⁽¹⁾	\$ 695,790	\$ 396,981
Fair value (losses) gains on derivatives designated as net investment hedges	(173,183)	266
	\$ 522,607	\$ 397,247

⁽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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Base rent	\$ 126,316	\$ 117,446	\$ 373,461	\$ 346,007
Straight-line rent amortization	2,430	3,436	6,668	9,252
Tenant incentive amortization	—	—	—	(54)
Property tax recoveries	15,713	13,888	47,594	41,489
Property insurance recoveries	1,657	1,826	4,954	5,462
Operating cost recoveries	6,893	5,297	23,450	18,444
	\$ 153,009	\$ 141,893	\$ 456,127	\$ 420,600

(b) Property operating costs consist of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Non-recoverable from tenants:				
Property taxes and utilities	\$ 1,294	\$ 278	\$ 3,840	\$ 891
Property insurance	282	184	862	549
Repairs and maintenance	784	28	1,971	315
Property management fees	106	97	309	293
Other	239	228	753	514
	\$ 2,705	\$ 815	\$ 7,735	\$ 2,562
Recoverable from tenants:				
Property taxes and utilities	\$ 17,124	\$ 15,299	\$ 51,799	\$ 47,970
Property insurance	1,849	1,918	5,362	5,677
Repairs and maintenance	2,281	2,663	10,212	9,112
Property management fees	1,546	1,321	4,560	4,039
Other	355	312	1,077	895
	\$ 23,155	\$ 21,513	\$ 73,010	\$ 67,693
Property operating costs	\$ 25,860	\$ 22,328	\$ 80,745	\$ 70,255

(c) General and administrative expenses consist of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Salaries, incentives and benefits	\$ 4,867	\$ 4,717	\$ 13,971	\$ 14,035
Audit, legal and consulting	1,327	1,007	3,562	3,157
Trustee/director fees including distributions, revaluations and expenses ⁽¹⁾	1,727	2,327	2,752	2,253
RSU and PSU compensation expense including distributions and revaluations ⁽¹⁾	4,224	2,561	6,497	4,064
Other public entity costs	512	704	1,785	2,017
Office rents including property taxes and common area maintenance costs	155	138	455	501
Capital tax expense (recovery)	107	36	291	(340)
Information technology costs	650	670	1,995	1,984
Corporate restructuring costs ⁽²⁾	—	660	—	1,770
Other	660	465	1,628	1,555
	\$ 14,229	\$ 13,285	\$ 32,936	\$ 30,996
Less: capitalized general and administrative expenses	(114)	(115)	(328)	(387)
	\$ 14,115	\$ 13,170	\$ 32,608	\$ 30,609

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

⁽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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest and amortized issuance costs relating to debentures and term loans	\$ 22,406	\$ 21,125	\$ 66,877	\$ 62,693
Amortization of deferred financing costs and other interest expense and charges	1,774	858	4,204	2,632
Interest expense related to lease obligations (note 8)	415	413	1,239	1,228
	\$ 24,595	\$ 22,396	\$ 72,320	\$ 66,553
Less: capitalized interest	(77)	(106)	(197)	(467)
	\$ 24,518	\$ 22,290	\$ 72,123	\$ 66,086

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Foreign exchange collar contracts, net (note 15(a))	\$ 845	\$ 120	\$ 93	\$ 569
Derivatives, net (note 7(c))	(2)	2,757	(75)	6,835
	\$ 843	\$ 2,877	\$ 18	\$ 7,404

For the three and nine month periods ended September 30, 2025, the net fair value losses on financial instruments of \$0.8 million and less than \$0.1 million, respectively, are mainly comprised of the net fair value losses of \$0.8 million and \$0.1 million on foreign exchange collar contracts, respectively.

For the three and nine month periods ended September 30, 2024, the net fair value losses on financial instruments of \$2.9 million and \$7.4 million, respectively, were comprised of the net fair value losses of \$0.1 million and \$0.6 million on foreign exchange collar contracts, respectively, and net fair value losses on the derivatives of \$2.8 million and \$6.8 million, respectively, which were associated with the fair value movements of the 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. 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 losses on financial instruments, net, in the condensed consolidated combined statements of net income.

13. INCOME TAXES

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Current income tax expense	\$ 3,004	\$ 2,676	\$ 8,510	\$ 7,826
Deferred income tax (recovery) expense	(17,499)	9,286	(9,736)	18,472
Income tax (recovery) expense	\$ (14,495)	\$ 11,962	\$ (1,226)	\$ 26,298

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Income before income taxes	\$ 53,518	\$ 123,809	\$ 205,844	\$ 303,425
Expected income taxes at the Canadian statutory tax rate of 26.5% (2024 - 26.5%) ..	\$ 14,182	\$ 32,810	\$ 54,549	\$ 80,408
Income distributed and taxable to unitholders	(14,370)	(19,889)	(39,648)	(51,000)
Net foreign rate differentials	371	(1,689)	(682)	(4,181)
Net change in provisions for uncertain tax positions	65	124	90	298
Net permanent differences	9	125	125	247
Net effect of change in tax rates	(14,927)	(266)	(14,927)	(557)
Net change in recognition of deferred tax assets	(136)	(427)	(1,285)	(119)
Withholding taxes and other	311	1,174	552	1,202
Income tax (recovery) expense	\$ (14,495)	\$ 11,962	\$ (1,226)	\$ 26,298

14. DETAILS OF CASH FLOWS

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Straight-line rent amortization	\$ (2,430)	\$ (3,436)	\$ (6,668)	\$ (9,252)
Tenant incentive amortization	—	—	—	54
Unit-based compensation expense (note 11(a))	5,889	4,829	9,073	6,072
Fair value losses (gains) on investment properties, net	34,624	(42,627)	66,059	(54,473)
Depreciation and amortization	290	332	909	965
Fair value losses on financial instruments, net (note 12(e))	843	2,877	18	7,404
Amortization of issuance costs relating to debentures and term loans	722	529	2,299	1,571
Amortization of deferred financing costs	127	130	375	382
Deferred income tax (recovery) expense (note 13(a))	(17,499)	9,286	(9,736)	18,472
Other	(23)	48	(55)	25
	\$ 22,543	\$ (28,032)	\$ 62,274	\$ (28,780)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Accounts receivable	\$ 4,030	\$ 3,442	\$ 11,418	\$ 3,696
Prepaid expenses and other	(304)	(716)	(627)	1,148
Accounts payable and accrued liabilities	10,160	13,783	2,468	2,352
Deferred revenue	(1,117)	(2,758)	2,607	382
	\$ 12,769	\$ 13,751	\$ 15,866	\$ 7,578

(c) Non-cash investing and financing activities

For the nine month period ended September 30, 2025, 24 thousand units (2024 – 29 thousand units) with a value of \$1.6 million (2024 – \$2.1 million) were issued under the Restricted Unit Plan (note 11(a)) and are not recorded in the condensed consolidated combined statements of cash flows.

In addition, for the nine month period ended September 30, 2025, the total impact from the foreign currency translations increasing unsecured debt and related derivatives by \$8.6 million is not recorded in the condensed consolidated combined statement of cash flows. For the nine month period ended September 30, 2024, the total impact from the foreign currency translations increasing unsecured debt and related derivatives by \$21.5 million was not recorded in the condensed consolidated combined statement of cash flows.

(d) Cash and cash equivalents consist of:

As at	September 30, 2025	December 31, 2024
Cash	\$ 98,676	\$ 126,175
Short-term deposits	29,251	—
	\$ 127,927	\$ 126,175

15. 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 September 30, 2025 and December 31, 2024:

As at	September 30, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Other assets	\$ 212 ⁽¹⁾	\$ 212	\$ 264 ⁽¹⁾	\$ 264
Derivatives	5,926	5,926	57,375	57,375
Accounts receivable	7,114	7,114	18,347	18,347
Cash and cash equivalents	127,927	127,927	126,175	126,175
	\$ 141,179	\$ 141,179	\$ 202,161	\$ 202,161
Financial liabilities				
Unsecured debentures, net	\$2,990,498	\$2,997,948	\$ 2,689,317	\$ 2,646,255
Unsecured term loans, net	97,989	97,989	389,136	389,136
Unsecured revolving credit facility	78,000	78,000	—	—
Derivatives	140,118 ⁽²⁾	140,118	32,298	32,298
Accounts payable and accrued liabilities	132,044 ⁽³⁾	132,044	99,074 ⁽³⁾	99,074
Distributions payable	17,157	17,157	17,762	17,762
	\$3,455,806	\$3,463,256	\$ 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 derivative liabilities (note 7(c)).

⁽³⁾ As at September 30, 2025, foreign exchange collars of \$1.4 million (December 31, 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 unsecured revolving credit facility and term loans approximate their carrying amounts as the unsecured revolving 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 September 30, 2025, the Trust held 3 outstanding foreign exchange collar contracts (December 31, 2024 – 12) with a notional value of US\$21.0 million (December 31, 2024 – 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. At September 30, 2025, the Trust also held 15 outstanding foreign exchange collar contracts (December 31, 2024 – 12) with a notional value of €30.0 million (December 31, 2024 – €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 three and nine month periods ended September 30, 2025, the Trust recorded net fair value losses of \$0.8 million (2024 – \$0.1 million) and \$0.1 million (2024 – \$0.6 million), respectively, 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 September 30, 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)	\$ —	\$ —	\$ 9,102,511
Assets held for sale (note 5)	—	—	370,701
Derivative (note 7)	—	5,926	—
Liabilities measured or disclosed at fair value			
Unsecured debentures, net (note 7)	2,997,948	—	—
Unsecured term loan, net (note 7)	—	97,989	—
Unsecured revolving credit facility (note 7)	—	78,000	—
Foreign exchange collars included in accounts payable and accrued liabilities (note 9)	—	1,422	—
Derivatives (note 7)	—	140,118	—
Net (liabilities) assets measured or disclosed at fair value	\$ (2,997,948)	\$ (311,603)	\$ 9,473,212

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 three and nine month periods ended September 30, 2025 and the year ended December 31, 2024, there were no transfers between the levels.

(c) Risk Management

Foreign exchange risk

As at September 30, 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 September 30, 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 \$45.6 million and \$22.1 million, respectively, to comprehensive income.

16. 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 condensed consolidated combined financial statements. However, actual outcomes may differ from management's expectations.

(b) As at September 30, 2025, the Trust's contractual commitments totaled \$63.7 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, \$135.3 million (US\$97.1 million) of bonds were assumed. The authorized amount of the bonds is \$144.9 million (US\$104.0 million), of which \$73.3 million (US\$52.6 million) was outstanding as at September 30, 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 condensed 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 condensed consolidated combined financial statements.

17. SUBSEQUENT EVENTS

(a) Subsequent to September 30, 2025, the Trust declared distributions for October 2025 of \$17.2 million or \$0.2833 per unit (note 10).

Board of Trustees

Kelly Marshall
Chairman

Peter Aghar
Trustee

Robert D. Brouwer
Trustee

Remco Daal
Trustee

Kevan Gorrie
Trustee

Fern Grodner
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*

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Exchange Listings

Units – Toronto Stock Exchange (GRT.UN) and New York Stock Exchange (GRP.U)

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

Publicly Available Documents

Copies of the financial statements for the year ended December 31, 2024 are available through the Internet on the Electronic Data Gathering Analysis and Retrieval System (EDGAR), which can be accessed at www.sec.gov, and 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 EDGAR and SEDAR+.



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