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GRANITE
REIT



Joint Annual General Meeting of
Granite Real Estate Investment Trust; and
Granite REIT Inc. | June 10, 2021

194

PRESENTATION OF CERTAIN INFORMATION



- Unless otherwise indicated in this presentation, all information is presented as of December 31, 2020 and all financial information that is identified as current refers to the period ending December 31, 2020. For definitions of certain non-IFRS measures used in this presentation including funds from operations (“FFO”), adjusted funds from operations (“AFFO”), FFO payout ratio, AFFO payout ratio, net operating income calculated on a cash basis (“NOI-cash basis”), same-property NOI on a cash basis (“SPNOI-cash basis”), net leverage ratio, earnings before interest, income taxes, depreciation and amortization (“EBITDA”), unencumbered asset coverage ratio, indebtedness ratio, and interest coverage ratio, please refer to Granite’s Management Discussion and Analysis (“MD&A”) in the Annual Report 2020 (available on Granite’s website <https://granitereit.com/investors/financial-reports-and-filings/>).
- This presentation may contain statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation, including the United States Securities Act of 1933, as amended, the United States Securities Exchange Act of 1934, as amended, and applicable Canadian securities legislation. Forward-looking statements and forward-looking information may include, among others, statements regarding Granite’s future plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, capital structure, cost of capital, tenant base, tax consequences, economic performance or expectations, or the assumptions underlying any of the foregoing. Words such as “outlook”, “may”, “would”, “could”, “should”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “seek” and similar expressions are used to identify forward-looking statements and forward-looking information.
- Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results and will not necessarily be accurate indications of whether or the times at or by which such future performance will be achieved. Undue reliance should not be placed on such statements. There can also be no assurance that: Granite’s expectations regarding the impact of the COVID-19 pandemic and government measures to contain it, including with respect to Granite’s ability to weather the impact of COVID-19, 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; the expansion and diversification of Granite’s real estate portfolio and the reduction in Granite’s exposure to Magna and the special purpose properties; the ability of Granite to accelerate growth and to grow its net asset value and FFO and AFFO per unit; the ability of Granite 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 the net proceeds of its equity and debenture offerings to fund potential acquisitions and for the other purposes described previously; the potential for expansion and rental growth at the properties in Mississauga, Ontario and Ajax, Ontario and the expected enhancement to the yields of such properties from such potential expansion and rental growth; the expected construction on and development yield of the acquired greenfield site in Houston, Texas; the expected development and construction of an e-commerce and logistics warehouse on recently acquired land in Fort Worth, Texas; the expected construction of the distribution/light industrial facility on the 13-acre site in Altbach, Germany; the completion of construction at the property in Dallas, Texas; the commencement of vertical construction at Granite’s development project in Houston, Texas; the timing of payment of associated unpaid construction costs and holdbacks; Granite’s ability to dispose of any non-core assets on satisfactory terms; Granite’s ability to meet its target occupancy goals; Granite’s ability to secure sustainability or other certifications for any of its properties; the expected impact of the refinancing of the term loans on Granite’s returns and cash flow; and the expected amount of any distributions and distribution increase, can be achieved in a timely manner, with the expected impact or at all.
- 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. Given the impact of the COVID-19 pandemic and government measures to contain it, there is inherently more uncertainty associated with our assumptions as compared to prior periods. 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 impact of the COVID-19 pandemic and government measures to contain it, and the resulting economic downturn, on Granite’s business, operations and financial condition; the risk that the pandemic or such measures intensify; the duration of the pandemic and related impacts; the risk of changes to tax or other laws and treaties that may adversely affect Granite REIT’s mutual fund trust status under the Income Tax Act (Canada) or the effective tax rate in other jurisdictions in which Granite operates; economic, market and competitive conditions and other risks that may adversely affect Granite’s ability to expand and diversify its real estate portfolio and dispose of any non-core assets on satisfactory terms; and the risks set forth in the “Risk Factors” section in Granite’s AIF for 2020 dated March 3, 2021, filed on SEDAR at www.sedar.com and attached as Exhibit 1 to the Trust’s Annual Report on Form 40-F for the year ended December 31, 2020 filed with the SEC and available online on EDGAR at www.sec.gov, all of which investors are strongly advised to review. The “Risk Factors” section also contains information about the material factors or assumptions underlying such forward-looking statements and forward-looking information.
- Forward-looking statements and forward-looking information speak only as of the date the statements and information were made and unless otherwise required by applicable securities laws, Granite expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements or forward-looking information contained in this presentation to reflect subsequent information, events or circumstances or otherwise.



ORGANIZATIONAL PRINCIPLES

Long-term total return focused

Conservative and flexible capital structure

Platform strength and active asset management

Institutional quality portfolio

Alignment with unitholders

PORTFOLIO OVERVIEW

107 income-producing properties +
7 development properties/land

49.4M square feet

\$5.8B in property value

100% rent collection

6.3 yr wtd avg lease term

FINANCIAL PERFORMANCE

77% AFFO POR

25% net leverage ratio

GRT.UN on TSX & GRP.U on NYSE

Market Cap. of ~\$4.5B and EV of
~\$5.9B

Investment grade ratings with
stable outlook (BBB / Baa2)

9 consecutive annual distribution
increases

Global Industrial Real Estate Platform

- Market capitalization and enterprise value are as at Mar 1, 2021
- Granite investment grade ratings are as per DBRS/Moody's
- Reflects the disposition of the property in the United Kingdom, the redemption of the 2021 Debentures and the termination of the 2021 Cross Currency Interest Rate Swap subsequent to December 31, 2020

2020 CORPORATE OBJECTIVES RECAP



Increase scale in
Target Markets

2020 Acquisitions
totaled **\$1,030.5M**



Drive SPNOI¹, FFO &
AFFO Per Unit
Growth

SPNOI¹ of **3.7%**
FFOPU of **\$3.98 (+9.9%)**
AFFOPU of **\$3.81**
(+8.2%)



Maintain high
occupancy

2.5M sf new or renewed
leases with average
quarterly occupancy
rate of **99.2%**.



Preserve
conservative capital
structure

Net Debt-to-EBITDA² of
5.5x at December 31,
2020



Enhanced ESG
program

- Published Green Bond Framework
- Issued inaugural **\$500M** Green Bond
- Released ESG Overview Report



Reduce Magna
Concentration

Magna as a percentage
of GLA reduced from
35% to 27%



Bleiswijk, Netherlands



Tilburg, Netherlands



250 Tradeport Rd, Nanticoke, PA

All of Granite's 2020 corporate objectives were met or exceeded

¹ On a constant currency, cash basis

² Reflects the disposition of a property in the UK, the redemption of the 2021 Debentures and the termination of the 2021 Cross Currency Interest Rate Swap immediately subsequent to December 31, 2020.

2020 MAJOR MILESTONES



Strategic Allocation of Capital

\$1,030.5M invested in e-commerce, distribution and logistics assets in key markets in Canada, US and Netherlands at an average incoming yield of 5.1%

\$31.3M generated from sale of 3 non-core assets in Canada and Spain. \$10.6M generated from sale of a non-core asset in the UK.

\$577.4M in gross proceeds from two equity offerings, including the full exercise of the over-allotment options

\$1.0B in unsecured debt from two debenture offerings; weighted avg. term of 8.5 years bearing a fixed weighted avg. interest rate of 2.0%

Net leverage ratio of 25% providing approximately \$900M in debt capacity and \$1.3B in available liquidity

\$80M of additional commitments made to develop, construct or expand properties in 2021

Financial & Operating Performance

FFOPU year over year growth of 9.9%, and AFFOPU growth of 8.2%

Same property NOI yoy growth of 3.7% on a constant currency basis

Occupancy rate at year end of 99.6%

2.5M SF of new or renewed leases at an average increase in base rent of 8.4%

Portfolio Enhancement / Diversification

Reduced Magna concentration from 35% to 27% of GLA and from 42% to 36% of annualized revenue

Acquired 26 properties totaling 9.2M SF in key distribution markets in GTA, the US and the Netherlands

Environmental, Social & Governance

Published green bond framework and issued inaugural \$500 million green bond. 69% of net proceeds have been allocated to date.

Released ESG Overview Report providing Granite's progress to date on the five primary principles in Granite's Sustainability Plan.

Delivering consistent unitholder returns: 2020 total return of 23% and 3.4% distribution increase

- Includes the disposition of the property in the United Kingdom subsequent to December 31, 2020.

ESG COMMITMENT



ENVIRONMENTAL

\$0.8M invested in **energy-saving** measures in 2020

~**26.1M SF** (52.8% of total portfolio) equipped with **LED lighting**

~**25.1M SF** equipped with **low-absorption membrane roofing (70.1% of non-Magna portfolio)**

11 Green certified buildings

Obtained energy and/or water usage data for **56** different properties in 2020

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

SOCIAL

Community support with over **\$79K & 164 volunteer** hours contributed to charities

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

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

Cultural Diversity¹: **21% BIPOC** representation

Female Representation¹: **50%** of total employees
25% of executive team
18% of Senior Management

GOVERNANCE

100% **independent** Board excluding CEO

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

Diverse Board: **33.3%** of Trustees/Directors are **Female** and **22%** identify as **BIPOC**

"Say-On-Pay" and Trustee/Director **Term Limit** policies implemented in 2020

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

¹ Based on 69% of employees that self-identified on a voluntary basis.

COMMITMENT TO GREEN INVESTMENTS



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



Two Green Globes Green Building certification in Plainfield, Indianapolis



BREEM “Excellent” Certified Green Building in Tilburg, the Netherlands



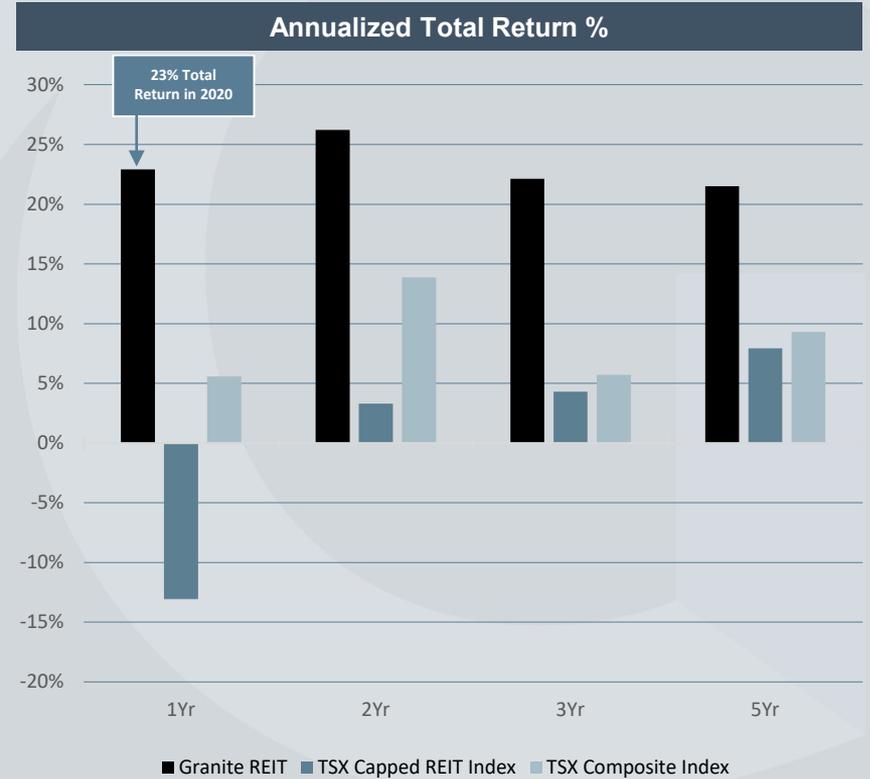
BREEM “Very Good” Certified Green Building in Bleiswijk, the Netherlands



BREEM “Very Good” Certified Green Building in Ede, the Netherlands



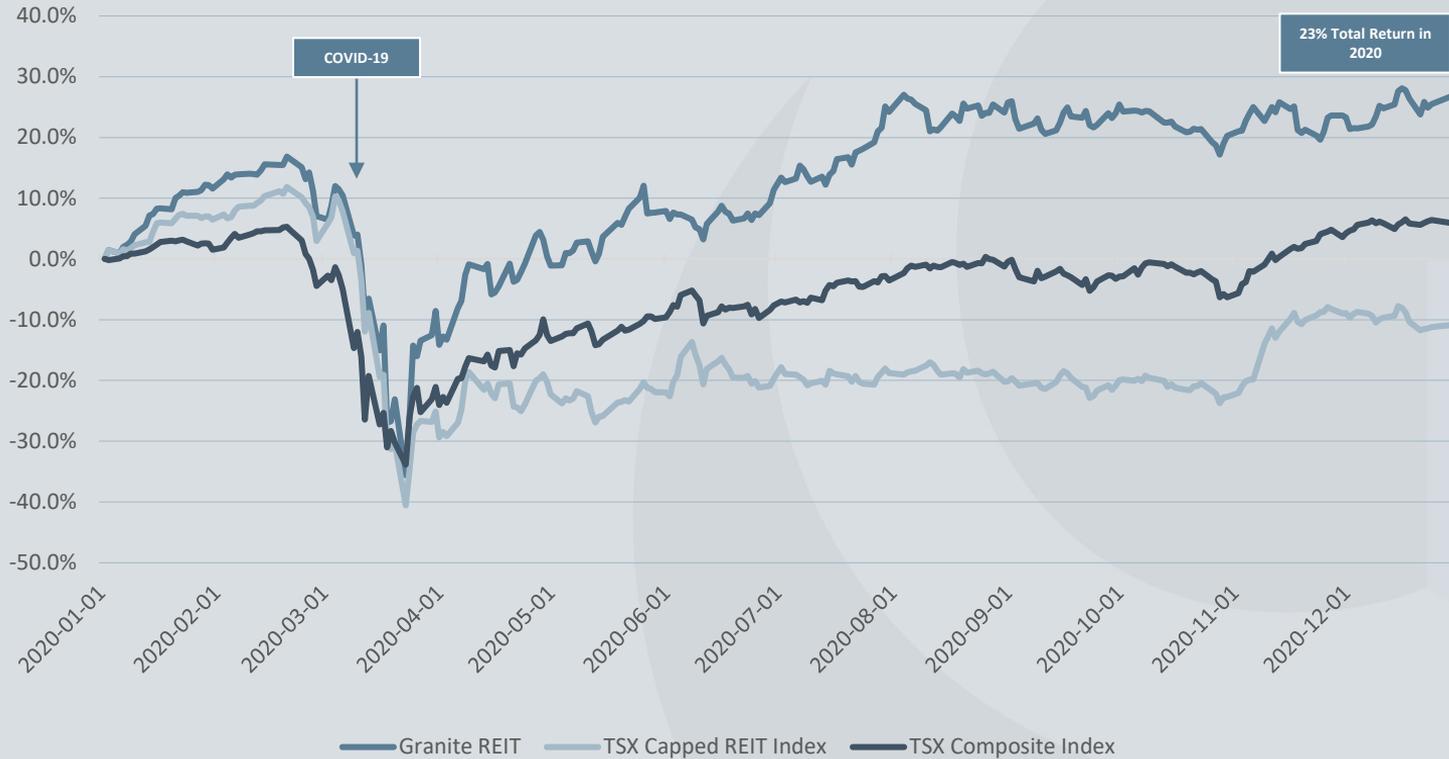
Total Return vs TSX Composite & TSX Capped REIT Indices



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



Total Return vs TSX Composite & TSX Capped REIT Indices



Granite delivered the highest total return among North American REITs in 2020

June 10, 2021

• Total return data sourced from Bloomberg and is as at December 31, 2020.

2021 CORPORATE OBJECTIVES & Q1 UPDATE



Increase scale in target markets

\$213.2M in closed and committed acquisitions and development projects in 2021

Expand Global Platform

Asset Management and Investment personnel added in US and Europe

Enhanced ESG Integration & Reporting

2021 **ESG Update** to be published in Q2

Safe Return to Workplace

Covid-19 healthy and safety policies and protocols implemented across Granite's offices



Village Creek Development, Fort Worth, TX, USA



Altbach Development, Germany

NAV/FFOPU/AFFOPU Growth

Q1 2021 **SPNOI** growth of **2.6%**

Preserve conservative capital structure

Q1 2021
Net Debt to EBITDA **5.4x**

Increase Development Investment

Development Projects in Germany, Houston & Fort Worth have commenced or will commence in Q2 2021

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

LEADERSHIP TEAM



Kevan Gorrie

- President and Chief Executive Officer
- Over 20 years of real estate experience in Canada, the United States and Germany.
- Previously served as the President and Chief Executive Officer of PIRET, where he led the business until its strategic sale to Blackstone Property Partners and Ivanhoé Cambridge in May 2018.



Teresa Neto

- Chief Financial Officer
- Over 30 years of varied business experience, including ~10 years as a CFO for publicly-traded real estate investment trusts in Canada.
- Previously served as the CFO of Pure Industrial Real Estate Trust and prior to that at Northwest Healthcare Properties REIT.



Lorne Kumer

- Executive Vice President, Head of Global Real Estate
- Over 25 years of experience in the real estate industry working for both public and private development companies
- Experience includes acquisitions, due diligence, leasing, land use and development approvals, sales and construction



Michael Ramparas

- Executive Vice President, Global Real Estate and Head of Investments
- Over 18 years of broad work experience with a focus on real estate, equity investments, and corporate underwriting.
- Previously held senior positions at Fortress Investment Group and Hexagon Capital Partners



Witsard Schaper

- Senior Vice President, Head of Europe based in Amsterdam
- Over 20 years of extensive real estate investment experience in international private and public real estate transactions across Europe
- Prior to joining Granite, Mr. Schaper was a Director at CPPIB in London responsible for the investment program in Europe



Jon Sorg

- Senior Vice President, Head of U.S. based in Dallas
- 20 years of investment, operations, underwriting and valuations experience in a variety of markets across the central US
- Prior to joining Granite, Mr. Sorg spent 12 years at Prologis, where most recently he served as Senior Vice President, Capital Deployment



THANK YOU

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