# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

## FORM 40-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2024**

# GRANITE REAL ESTATE INVESTMENT TRUST

**(Commission File Number: 001-35771)**
**(Exact name of Registrant as specified in its charter)**

**Province of Ontario, Canada**
**(Province or other jurisdiction of incorporation or organization)**

**77 King Street West, Suite 4010, P.O. Box 159 Toronto-Dominion Centre**
**Toronto, Ontario M5K 1H1**
**(647) 925-7500**
**(Address and telephone number of Registrant's principal executive offices)**

| **6500** | **N/A** |
|---|---|
| **(Primary Standard Industrial Classification Code Number (if applicable))** | **(I.R.S. Employer identification Number (if applicable))** |

United Agent Group Inc., 1521 Concord Pike, Suite 201
Wilmington, Delaware, 19803
**(561) 508-5033**

**(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)**

**Securities registered or to be registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|---|---|---|
| **Units** | **GRP.U** | **The New York Stock Exchange** |

**Securities registered or to be registered pursuant to Section 12(g) of the Act: None Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None**

**For annual reports, indicate by check mark the information filed with this Form:**

☒ **Annual information form** ☒ **Audited annual financial statements**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 62,724,884 Units outstanding as of December 31, 2024.

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Auditor Name: Deloitte LLP Auditor Location: Toronto, ON, Canada Auditor Firm ID: 1208

## CONTROLS AND PROCEDURES

A. *Disclosure controls and procedures*. The President and Chief Executive Officer and Chief Financial Officer of Granite Real Estate Investment Trust (the "Registrant") has evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this annual report (the "Evaluation Date"). They have concluded that, as of the Evaluation Date, the Registrant's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Registrant in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's (the "SEC") rules and forms and (ii) accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

B. *Management's report on internal control over financial reporting*. The Registrant's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, for the Registrant.

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

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

Deloitte LLP, an independent registered public accounting firm, who audited and reported on the consolidated combined financial statements for the year ended December 31, 2024, which are filed as Exhibit 2 to this annual report, has also issued an attestation report under standards of the Public Company Accounting Oversight Board (United States) on the Registrant's internal control over financial reporting as of the Evaluation Date. The required attestation report is appended to the audited consolidated combined financial statements for the year ended December 31, 2024, filed as Exhibit 2 to this annual report.

C. *Changes in internal control over financial reporting*. As of the Evaluation Date, there were no changes in the Registrant's internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or that are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

D. *Limitations on the effectiveness of controls and procedures* The Registrant's management, including the President and Chief Executive Officer and the Chief Financial Officer, do not expect that the Registrant's controls and procedures will prevent all potential error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

## AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT

The Registrant has a separately designated standing audit committee ("Audit Committee") established in accordance with section 3(a)(58)(A) of the Exchange Act. The members of the Audit Committee for the Registrant are Messrs. Robert D. Brouwer, Al Mawani and Ms. Emily Pang.

The Registrant's Board of Trustees has determined that it has three audit committee financial experts (as such term is defined in Form 40-F) serving on its Audit Committee. The Registrant's Board of Trustees has determined that each of Mr. Brouwer, Mr. Mawani and Ms. Pang is an audit committee financial expert and is independent, as that term is defined by the New York Stock Exchange's corporate governance standards applicable to the Registrant. The SEC has indicated that the designation of a person as an audit committee financial expert does not impose on such person any duties, obligations or liability that are greater than those imposed on such person as a member of the Audit Committee and the Board of Trustees in the absence of such designation or identification and does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board of Trustees.

## AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

Please refer to the section entitled "Audit Committee" in the Annual Information Form of the Registrant, included as an Exhibit to this annual report, for details on policies relating to the pre-approval of all audit services and permitted non-audit services provided to the Registrant by Deloitte LLP. For the year ended December 31, 2024, no services were approved by the Registrant's audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

## CODE OF ETHICS

The Registrant has adopted a "code of ethics" (as that term is defined in Form 40-F), entitled the "Code of Conduct and Ethics," that applies to employees, including officers, as well as trustees. A copy of the Code of Conduct and Ethics has been posted to the website of the Registrant (www.granitereit.com). The information on the Registrant's website shall not be deemed to be incorporated by reference in this annual report.

## PRINCIPAL ACCOUNTANT FEES AND SERVICES

Please refer to the section entitled "Audit Committee — Audit Fees" in the Annual Information Form of the Registrant, included as an Exhibit to this annual report, for details on the fees billed to the Registrant by Deloitte LLP and its affiliates for professional services rendered in each of the fiscal years ended December 31, 2024 and December 31, 2023.

## OFF-BALANCE SHEET ARRANGEMENTS

Please refer to the section entitled "Commitments, Contractual Obligations, Contingencies and Off-Balance Sheet Arrangements" in the Management's Discussion and Analysis of Operations and Financial Position for the year ended December 31, 2024, included as Exhibit 3 to this annual report.

## CORPORATE GOVERNANCE

Please refer to the Registrant's website (www.granitereit.com) for information on the Registrant's compliance with the corporate governance standards of the New York Stock Exchange and compliance with the corporate governance rules of the Canadian securities regulators. The information on the Registrant's website shall not be deemed to be incorporated by reference in this annual report.

## UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

The Registrant hereby undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff and to furnish promptly, when requested to do so by the SEC staff, information relating to the securities in relation to which the obligation to file an annual report on Form 40-F arises, or to transactions in said securities.

B. Consent to Service of Process

The Registrant has previously filed with the SEC a Form F-X with respect to the class of securities in relation to which the obligation to file this annual report on Form 40-F arises.

**EXHIBIT INDEX**

| | |
|---|---|
| 1 | Annual Information Form dated as of February 26, 2025. |
| 2 | Audited consolidated combined financial statements for the years ended December 31, 2024 and 2023, together with the reports of independent registered public accounting firm thereon. |
| 3 | Management's Discussion and Analysis of Operations and Financial Position for the three-month period and year ended December 31, 2024. |
| 4 | Consent of Deloitte LLP. |
| 97 | Amended and Restated Clawback Policy |
| 99.1 | Certificate of the President and Chief Executive Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of Sarbanes-Oxley Act of 2002. |
| 99.2 | Certificate of the President and Chief Executive Officer of the Registrant required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of Sarbanes-Oxley Act of 2002. |
| 99.3 | Certificate of the Chief Financial Officer of the Registrant required pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of Sarbanes-Oxley Act of 2002. |
| 99.4 | Certificate of the Chief Financial Officer of the Registrant by Rule 13a-14(a) or Rule 15d- 14(a), pursuant to Section 302 of Sarbanes-Oxley Act of 2002. |
| 101 | Interactive Data Files (formatted as Inline XBRL). |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

**SIGNATURES**

Pursuant to the requirements of the Exchange Act, each Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: February 26, 2025

GRANITE REAL ESTATE INVESTMENT TRUST

By: /s/ TERESA NETO

Name: Teresa Neto

Title: Chief Financial Officer




# Granite Real Estate Investment Trust

# Annual Information Form

February 26, 2025

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## GENERAL MATTERS

This Annual Information Form contains information about Granite Real Estate Investment Trust and its subsidiaries. Throughout this Annual Information Form, unless otherwise specified or the context otherwise indicates, "we", "us", "our" and "Granite" refers to Granite Real Estate Investment Trust and its subsidiaries.

On October 1, 2024, Granite completed a court approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "2024 Arrangement") to replace Granite's previous Stapled Unit structure with a conventional REIT trust unit structure.

As a result of and immediately following the 2024 Arrangement, each Unitholder held a number of Units equal to the number of Stapled Units held prior to completion of the 2024 Arrangement, and Granite GP became a wholly-owned subsidiary of Granite REIT. Following completion of the 2024 Arrangement, Granite GP ceased to be a reporting issuer under Canadian securities laws, and continues to be the general partner of Granite LP. See "General Development of the Business — 2024" for more information.

On October 3, 2024, the Stapled Units were delisted from the Toronto Stock Exchange (the “TSX”) and the New York Stock Exchange (the “NYSE”), and Units began trading on the TSX and the NYSE under the same ticker symbols “GRT.UN” and “GRP.U”, respectively.

In this Annual Information Form, for the period prior to October 1, 2024, references to "Units" should be read as "Stapled Units" and "Unitholders" should be read as "stapled unitholders".

**Date of Information**

Information in this AIF is dated as of December 31, 2024, unless otherwise indicated.

**Note Regarding Financial Information**

Financial information of Granite REIT is presented on a consolidated combined basis. The consolidated combined financial statements include the combined assets, liabilities and results of Granite REIT and Granite GP and their subsidiaries for periods and dates up to September 30, 2024, the last day before Granite GP became a wholly-owned subsidiary of Granite REIT. Following the completion of the 2024 Arrangement, Granite GP became a wholly-owned subsidiary of Granite REIT. The consolidated combined financial statements for periods and dates from and after October 1, 2024 include the assets, liabilities and results of Granite REIT and its subsidiaries.

Except as otherwise noted, financial data included in this Annual Information Form has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. This Annual Information Form should be read in conjunction with the consolidated combined financial statements and appended notes, and management’s discussion and analysis, each of which appear in Granite’s annual report for 2024 and are available on SEDAR+ at www.sedarplus.ca. Granite refers to Canadian dollars as ‘‘dollars’’ or ‘‘$’’, United States dollars as "US dollars", “US$” or ‘‘USD’’ and Euros as ‘‘EUR’ or "€". Granite publishes its financial statements in Canadian dollars.

**Non-GAAP Performance Measures and Ratios**

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 IFRS Accounting Standards results is helpful to investors in assessing the overall performance of Granite's business. These non-GAAP performance measures and non-GAAP ratios include total debt, net debt and the net leverage ratio.

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 as per the consolidated combined financial statements. Net debt subtracts cash and cash equivalents from total debt. Granite believes that it is useful to include the derivatives and lease obligations for the purposes of monitoring Granite's debt levels.

The net leverage ratio is a non-GAAP ratio that Granite believes is useful in evaluating Granite's degree of financial leverage, borrowing capacity and the relative strength of its balance sheet. The net leverage ratio is calculated as net debt (a non-GAAP performance measure) divided by the fair value of investment properties (excluding assets held for sale).

Readers are cautioned that total debt, net debt and the net leverage ratio do not have a standardized meaning prescribed under IFRS Accounting Standards and, therefore, should not be construed as an alternative 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 a standardized meaning prescribed by IFRS Accounting Standards, they may not be comparable to similarly titled measures presented by other reporting issuers.

Total debt, net debt and the net leverage ratio are calculated from the audited consolidated combined financial statements as at and for the year ended December 31, 2024 as follows:

| **As at December 31, 2024** | | | **(in millions)** |
|---|---|---|---|
| Unsecured debt, net | | **$** | **3,078.5** |
| Derivatives, net [(1)] | | | **(25.1)** |
| Lease obligations | | | **34.4** |
| **Total debt** | | **$** | **3,087.8** |
| Less: cash and cash equivalents | | | **126.2** |
| **Net debt** | [A] | **$** | **2,961.6** |
| Investment properties | [B] | **$** | **9,397.3** |
| **Net leverage ratio** | [A]/[B] | | **32 %** |

[(1)] Balance is net of the derivative assets and derivative liabilities.

## FORWARD-LOOKING STATEMENTS

This Annual Information Form and the documents incorporated by reference herein 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’’, ‘‘objective’’, ‘‘strategy’’, ‘‘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: Granite's ability to deliver cash flow stability and growth and create long-term value for Unitholders; Granite’s ability to advance its ESG+R program and related targets and goals; the expansion, diversification and quality of Granite’s real estate portfolio, including acquisitions of properties in new markets; the reduction in Granite’s exposure to Magna and the special purpose properties; Granite’s ability to execute on its strategic plan and its priorities in 2025; fluctuations in foreign currency exchange rates and the effect on Granite’s revenues, expenses, cash flows, assets and liabilities; Granite’s ability to strategically redeploy the proceeds from recently sold properties and financing initiatives; 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 ability to accelerate growth and execute its short and long-term business strategies; Granite’s ability to renew land leases upon their expiration; Granite’s ability to optimize its balance sheet; Granite’s ability to increase its leverage ratio; Granite's ability to offset interest or realize interest savings relating to the Term Loans or Debentures (each as defined below); the expected amount of any distributions and distribution increase, including any expected increases can be achieved in a timely manner, with the expected impact or at all; estimates regarding Granite’s development properties and expansion projects, including square footage of construction, total construction costs and total costs; 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; 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 management believes are appropriate in the circumstances. Forward-looking statements and forward-looking information are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond Granite’s control, that could cause actual events or results to differ materially from such forward-looking statements and forward-looking information. Important factors that could cause such differences include, but are not limited to: the risk of changes to tax or other laws and treaties that may adversely affect Granite REIT’s mutual fund trust status under the Tax Act or the effective tax rate in other jurisdictions in which Granite operates; the risks related to Russia's 2022 invasion of Ukraine that may adversely impact Granite's operations and financial performance; economic, market

and competitive conditions and other risks that may adversely affect Granite's ability to expand and diversify its real estate portfolio, dispose of any non-core assets on satisfactory terms and pay the expected amount of any distributions; and, the risks set forth in this Annual Information Form in the ''Risk Factors'' section, 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 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 Annual Information Form to reflect subsequent information, events or circumstances or otherwise.

## GLOSSARY OF TERMS

"0.522% Swap" means the cross currency interest rate swap entered into by Granite LP to exchange the US$185 million principal and related variable rate interest payments from the 2024 Term Loan to EUR 168.2 million principal and Euro-denominated interest payments at a 0.522% interest rate.

"0.536% Swap" means the cross currency interest rate swap entered into by Granite LP to exchange the $350 million portion of principal related 2.194% interest payments from the 2028 Debentures to EUR 242.1 million principal and Euro-denominated interest payments at a 0.536% interest rate.

"1.045% Swap" means the cross currency interest rate swap entered into by Granite LP to exchange the $500 million principal and related 2.378% interest payments from the 2030 Debentures to EUR 319.4 million principal and Euro-denominated interest payments at a 1.045% interest rate.

"1.355% Swap" means the cross currency interest rate swap entered into by Granite LP to exchange the $300 million principal and related variable rate interest payments from the December 2026 Term Loan to EUR 205.5 million principal and Euro-denominated interest payments at a 1.355% interest rate.

"2.096% Swap" means the cross currency interest rate swap entered into by Granite LP to exchange the $500 million principal and related 2.194% interest payments from the 2028 Debentures to US$397.0 million principal and US dollar-denominated interest payments at a 2.096% interest rate. On February 3, 2022, the 2.096% Swap was reduced to $150 million principal outstanding, exchanging US$119.1 million principal and US dollar-denominated interest payments at a 2.096% interest rate.

"2.43% Swap" means the cross-currency interest rate swap entered into by Granite LP to exchange the $400 million principal and related 3.873% interest payments from the 2023 Debentures to EUR 281.1 million principal and Euro-denominated interest payments at a 2.43% interest rate.

"2.964% Swap" means the cross currency interest rate swap entered into by Granite LP to exchange the $500 million principal and related 3.062% interest payments from the 2027 Debentures to US $370.3 million principal and US dollar-denominated interest payments at a 2.964% interest rate.

"3.494% Swap" means the cross-currency interest rate swap entered into by Granite LP to exchange the $250 million principal and related 3.999% interest payments from the October

2029 Debentures to EUR 167.4 million principal and Euro-denominated interest payments at a 3.494% interest rate.

“4.3325% Swap” means the float to fixed interest rate swap entered into by Granite LP to exchange the floating EURIBOR based interest payments from the September 2026 Term Loan to fixed Euro-denominated interest payments at an interest rate of 4.3325%.

"4.9285% Swap" means the cross currency interest rate swap entered into by Granite LP to exchange the $400 million principal and 6.103% interest payments to EUR 277.7 million principal and Euro-denominated interest payments from the April 2029 Debentures at a 4.9575% interest rate. The April 2029 Debentures have a coupon of 6.074%, thereby, together with the 4.9285% Swap, the effective interest rate is 4.9285% for the five and a half-year term of the April 2029 Debentures.

“5.016% Swap” means the float to fixed interest rate swap entered into by Granite LP to exchange the floating SOFR portion of the interest payments from the 2025 Term Loan to fixed US dollar-denominated interest payments resulting in an all-in fixed interest rate of 5.016%.

“2011 Arrangement” means the completion of a court-approved plan of arrangement of Granite Co. under the*Business Corporations Act* (Ontario), which eliminated Granite Co.’s dual class share capital structure through which Mr. Frank Stronach and his family had previously controlled Granite Co.

"2011 Arrangement Agreement" means the arrangement agreement dated January 31, 2011 between MI Developments Inc., the Stronach Shareholder and The Stronach Trust (including the schedules thereto).

“2013 Arrangement” means the completion of Granite Co.’s conversion from a corporate structure to a stapled unit real estate investment trust structure pursuant to a plan of arrangement under the B*usiness Corporations Act* (Québec) on January 3, 2013.

“2020 First Indenture” means, together, the trust indenture and supplemental indenture providing for, among other things, the creation and issue of the 2027 Debentures.

“2020 Second Indenture” means, together, the trust indenture and supplemental indenture providing for, among other things, the creation and issue of the 2030 Debentures.

“2021 Indenture” means, together, the trust indenture and supplemental indenture providing for, among other things, the creation and issue of the 2028 Debentures.

“2023 Debentures” means the $400 million aggregate principal amount of 3.873% Series 3 senior debentures due November 30, 2023, issued by Granite LP.

“2023 Indenture” means, together, the trust indenture and supplemental indenture providing for, among other things, the creation and issue of the April 2029 Debentures.

"2024 Arrangement" means the completion of a court approved plan of arrangement under the Business Corporations Act (British Columbia) on October 1, 2024 to replace Granite's stapled unit structure with a conventional REIT trust unit structure.

"2024 Arrangement Agreement" means the arrangement agreement dated April 10, 2024 between Granite REIT and Granite GP.

“2024 First Indenture” means, together, the trust indenture and supplemental indenture providing for, among other things, the creation and issue of the October 2029 Debentures.

“2024 Second Indenture” means, together, the trust indenture and supplemental indenture providing for, among other things, the creation and issue of the 2031 Debentures.

“2024 Term Loan” means the senior unsecured non-revolving term facility in the amount of US$185 million entered into by Granite LP on December 19, 2018, as extended on October 21, 2019, and as amended on April 19, 2023.

"2024 Unitholder Meetings" means Granite's joint annual general and special meetings of holders of Stapled Units held on June 6, 2024.

“2025 Indenture” means, together, the trust indenture and supplemental indenture providing for, among other things, the creation and issue of the 2026 Debentures.

“2025 Term Loan” means the senior unsecured non-revolving term facility in the amount of US$400 million entered into by Granite LP on September 15, 2022.

"2026 Debentures" means the $300 million aggregate principal amount of floating rate Series 10 senior unsecured debentures bearing interest at Daily Compounded CORRA plus 0.77% per annum, due December 11, 2026, issued by Granite LP.

“2027 Debentures” means the $500 million aggregate principal amount of 3.062% Series 4 senior unsecured debentures due June 4, 2027, issued by Granite LP.

“2028 Debentures” means the $500 million aggregate principal amount of 2.194% Series 6 senior unsecured debentures due August 30, 2028, issued by Granite LP.

“2030 Debentures” means the $500 million aggregate principal amount of 2.378% Series 5 senior unsecured debentures due December 18, 2030, issued by Granite LP.

“2031 Debentures” means the $550 million aggregate principal amount of 4.348% Series 9 senior unsecured debentures due October 4, 2031, issued by Granite LP.

"Advanced Notice Provisions" has the meaning set out under the heading "Declaration of Trust and Description of Units — Meetings of the Unitholders — Advanced Notice Provisions".

"Agreement with Initiating Shareholders" means the agreement regarding the 2011 Arrangement Agreement dated January 31, 2011 amongst Granite Co., the Stronach Shareholder, The Stronach Trust and the Initiating Shareholders.

“AIF” or “Annual Information Form” means this annual information form.

“annualized revenue” means 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.

"April 2029 Debentures" means the $400 million aggregate principal amount of 6.074% Series 7 senior unsecured debentures due April 12, 2029 issued by Granite LP.

"ATM Program" means the at-the-market equity program established by Granite on November 3, 2021 pursuant to which Granite could issue up to $250 million of Stapled Units from treasury, which expired on November 1, 2023.

“Audit Committee” means the audit committee of Granite REIT.

“BCBCA” means the *Business Corporations Act* (British Columbia).

"BREEAM" means Building Research Establishment's Environmental Assessment Method.

“CDOR” means Canadian Dollar Offered Rate.

"CDP" means the Carbon Disclosure Project.

"Complainant" has the meaning set out under the heading "Declaration of Trust and Description of Units — Unitholder Remedies — Oppression Remedy".

"CORRA" means the Canadian Overnight Repo Rate Average.

“Credit Facility” means Granite’s unsecured revolving credit facility in the amount of $1 billion with a five-year term commencing on March 27, 2024.

“Debentures” means, collectively, the 2026 Debentures, the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, the October 2029 Debentures, the 2030 Debentures, the 2031 Debentures and any other debentures subsequently issued under the Indentures.

"December 2026 Term Loan" means the senior unsecured non-revolving term facility in the amount of $300 million entered into by Granite LP on December 12, 2018, as extended on November 27, 2019, and as amended on February 8, 2024.

“Declaration of Trust” means Granite REIT’s amended and restated declaration of trust dated October 1, 2024.

"DGNB" means the German Sustainable Building Council.

“Disclosable Interest” has the meaning set out under the heading “Declaration of Trust and Description of Units — Conflict of Interest Provisions”.

"ESG" means Environmental, Social and Governance.

“ESG+R” means Environmental, Social, Governance and Resilience.

"EURIBOR" means the Euro Interbank Offered Rate.

“FDAP” has the meaning set out under the heading “Risk Factors — Risk Relating to Taxation — United States — Potential Uncertainty as to the Availability of Treaty Benefits to Distributions from Granite America”.

“FIRPTA” means the United States Foreign Investment in Real Property Tax Act of 1980.

“Forbearance Agreement” means the forbearance agreement entered into by Granite Co. prior to the implementation of the 2011 Arrangement.

“GLA” means gross leasable area.

“GP Redemption Right” has the meaning set out under the heading “Declaration of Trust and Description of Units — Unit Redemption Rights”.

“GP Share” means a common share of Granite GP.

"GP Shareholder" means a holder of a GP Share.

“Granite America” means Granite REIT America Inc.

“Granite Co.” means, for periods prior to January 3, 2013, Granite’s predecessor Granite Real Estate Inc.

“Granite GP” means Granite REIT Inc.

“Granite LP” means Granite REIT Holdings Limited Partnership.

“Granite REIT” or the “Trust” means Granite Real Estate Investment Trust.

“Green Bond Framework” means the Green Bond Framework which complies with the Green Bond Principles developed by the ICMA as of June 2018 and as described in Granite’s Green Bond Framework dated April 2020, which is available on Granite’s website.

"Green Globes" means the online assessment protocol, rating system, and guidance for green building design, operation and management.

“GRESB” means Global Real Estate Sustainability Benchmark.

“GRI” means Global Reporting Initiative.

"ICMA" means the International Capital Markets Association.

“IFRS Accounting Standards” or "GAAP" means the IFRS® Accounting Standards as issued by the International Accounting Standards Board.

“Indentures” means, collectively, the 2020 First Indenture, the 2020 Second Indenture, the 2021 Indenture, the 2023 Indenture, the 2024 First Indenture, the 2024 Second Indenture, and the 2025 Indenture."

"IREM" means Institute of Real Estate Management.

"LEED" means Leadership in Energy and Environmental Design.

“leverage” or “leverage ratio”, unless otherwise indicated, refers to a non-GAAP ratio calculated as total debt divided by the fair value of investment properties (excluding assets held for sale) and “net leverage ratio” refers to a non-GAAP ratio calculated as net debt (a non-GAAP performance measure) divided by the fair value of investment properties (excluding assets held for sale).

“Magna”, unless otherwise indicated, refers to Magna International Inc., its operating divisions and subsidiaries and its other controlled entities.

“Morningstar DBRS” means DBRS Limited.

“Moody’s” means Moody’s Investor Service.

“NCIB” means normal course issuer bid.

"Nominating Unitholder" has the meaning set out under the heading "Declaration of Trust and Description of Units — Meetings of the Unitholders — Nomination of Trustees".

“Non-Residents” are to persons who are not residents of Canada for the purposes of the Tax Act.

“Non-Resident Beneficiaries” means Non-Residents or partnerships that are not Canadian partnerships within the meaning of the Tax Act.

"Notice Date" has the meaning set out under the heading "Declaration of Trust and Description of Units — Meetings of the Unitholders — Advance Notice Provisions".

“NYSE” means the New York Stock Exchange.

“October 2029 Debentures” means the $250 million aggregate principal amount of 3.999% Series 8 senior unsecured debentures due October 4, 2029 issued by Granite LP.

“PFIC” means a passive foreign investment company for U.S. federal income tax purposes.

"Proposal" has the meaning set out under the heading "Declaration of Trust and Description of Units — Meetings of the Unitholders — Unitholder Proposals".

"Qualified Unitholder" has the meaning set out under the heading "Declaration of Trust and Description of Units — Meetings of the Unitholders — Unitholder Proposals".

“qualifying income exception” has the meaning set out under the heading “Risk Factors — Risk Relating to Taxation — United States — Granite REIT’s Status as a Partnership”.

“REIT Exception” has the meaning set out under the heading “Risk Factors — Risk Relating to Taxation — Canada — Real Estate Investment Trust Status”.

“Resident Canadian” means a resident in Canada for purposes of the Tax Act.

"SASB" means Sustainability Accounting Standards Board.

"September 2026 Term Loan" means the senior unsecured non-revolving term facility in the amount of EUR 70.0 million entered into by Granite LP on September 7, 2023.

“SEC” means the United States Securities and Exchange Commission.

“SF” means square feet.

“SIFT” has the meaning set out under the heading “Investment Guidelines and Operating Policies of Granite — REIT Investment Guidelines”.

"SOFR” means Secured Overnight Financing Rate.

“Stapled Unit” means a Unit and a GP Share, which prior to the 2024 Arrangement traded together as a "stapled unit".

“Support Agreement” means the support agreement dated as of January 3, 2013 entered into by Granite REIT and Granite GP, as amended and restated on December 20, 2017.

“Support Agreement Termination Agreement” means the support agreement termination agreement dated October 1, 2024 between Granite REIT and Granite GP.

“Stronach Shareholder” means 445327 Ontario Limited.

“Sustainability Plan” means Granite’s Sustainability Plan, which is available on Granite’s website.

“Tax Act” means the *Income Tax Act* (Canada).

"TCFD" means Task Force on Climate-related Financial Disclosures.

“Term Loans” means, collectively, the September 2026 Term Loan, and the December 2026 Term Loan.

"total debt" or "net debt" unless otherwise indicated, refers to 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 as per the consolidated combined financial statements. Net debt subtracts cash and cash equivalents from total debt.

“Transfer Agreement” means the transfer agreement between Granite Co., the Stronach Shareholder and The Stronach Trust, entered into immediately prior to the implementation of the 2011 Arrangement.

“Trustees” means the board of trustees of Granite REIT.

"TSX" means the Toronto Stock Exchange.

"Unit" means a unit of interest in the Trust created in accordance with the provisions of the Declaration of Trust and includes a fraction of a Unit.
"Unitholder" means a holder of a Unit;

“Unit Redemption Assets” has the meaning set out under the heading “Declaration of Trust and Description of Units — Unit Redemption Right”.

“Unit Redemption Date” has the meaning set out under the heading “Declaration of Trust and Description of Units — Unit Redemption Right”.

“Unit Redemption Price” has the meaning set out under the heading “Declaration of Trust and Description of Units — Unit Redemption Right”.

"WALT" means weighted average lease term.

## CORPORATE STRUCTURE

### Granite REIT

Granite REIT is an unincorporated, open-ended, limited purpose trust established under and governed by the laws of the Province of Ontario pursuant to the Declaration of Trust. Although it is intended that Granite REIT qualify as a ‘‘mutual fund trust’’ pursuant to the Tax Act, Granite REIT is not a mutual fund under applicable securities laws. The principal office and centre of administration of Granite REIT is located at 77 King Street West, Suite 4010, P.O. Box 159, Toronto-Dominion Centre, Toronto, Ontario, M5K 1H1.

### Granite GP

Granite GP was incorporated on September 28, 2012 pursuant to the BCBCA. As a result of and immediately following the 2024 Arrangement, Granite GP became a wholly-owned subsidiary of Granite REIT, and continued as the general partner of Granite LP. The head office of Granite GP is located at 77 King Street West, Suite 4010, P.O. Box 159, Toronto-Dominion Centre, Toronto, Ontario, M5K 1H1 and the registered office of Granite GP is 1133 Melville Street, Suite 3500, The Stack, Vancouver, British Columbia, V6E 4E5.

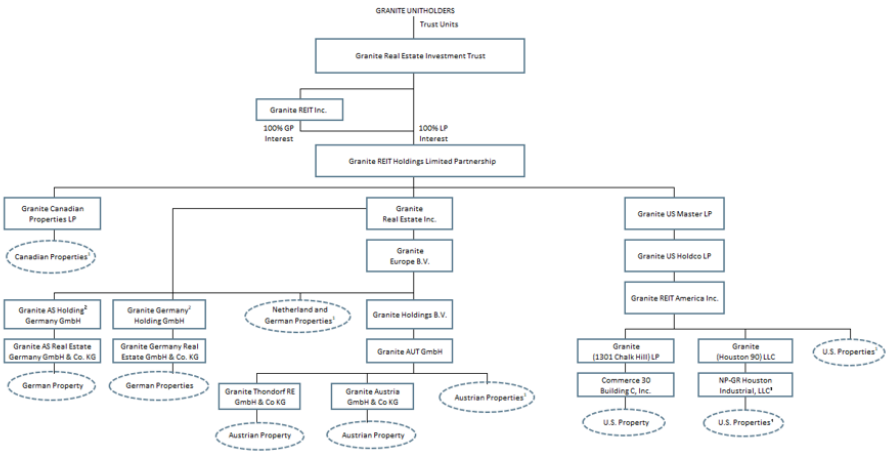
### Granite LP

Granite LP is a limited partnership formed on December 14, 2012 under the laws of Quebec, Canada. Granite REIT is the limited partner of Granite LP and Granite GP is the general partner of Granite LP. Granite’s business is carried on directly and indirectly by Granite LP, all of the partnership units of which are owned by Granite REIT and Granite GP.

### Organizational Structure and Subsidiaries

The following is a simplified illustration of Granite’s organizational structure as at December 31, 2024:

**Organizational Structure and Subsidiaries**



(1) Ownership of the properties is held directly or indirectly through wholly owned special purpose entities.
(2) Granite Europe B.V. and Granite Real Estate Inc. own 99.74%. The remaining 0.26% is owned by a third party shareholder.
(3) Granite (Houston 90) LLC owns 93.22%. The remaining 6.78% is owned by a third party shareholder.

Granite REIT's material subsidiaries as at December 31, 2024 and their respective jurisdictions of incorporation or formation are listed below. Parent/subsidiary relationships are identified by indentation. The percentages of the votes attaching to all voting securities beneficially owned by Granite REIT or over which Granite REIT exercises control or direction, directly or indirectly, are also indicated. Granite REIT's percentage voting interest is equivalent to Granite's economic interest in each subsidiary listed below. The voting securities of each subsidiary are held in the form of common shares or, in the case of limited partnerships and their foreign equivalents, share quotas or partnership interests.

**List of Material Subsidiaries**

| | Ownership of Voting Securities | Jurisdiction of Incorporation or Formation |
|---|---|---|
| Granite REIT Inc. | 100 % | British Columbia |
| Granite REIT Holdings Limited Partnership | 100 % | Quebec |
| Granite Canadian Properties LP | 100 % | Ontario |
| Granite US Master LP | 100% | Delaware |
| Granite US Holdco LP | 100% | Delaware |
| Granite REIT America Inc. | 100% | Delaware |
| Granite (1301 Chalk Hill) LP | 100% | Delaware |
| Commerce 30 Building C, Inc. | 100% | Delaware |
| Granite (Houston 90) LLC | 100% | Delaware |
| NP-GR Houston Industrial, LLC | 93.22% | Delaware |
| Granite Real Estate Inc. | 100% | Quebec |
| Granite Europe B.V. | 100% | Netherlands |
| Granite Holdings B.V. | 100% | Netherlands |
| Granite AUT GmbH | 100% | Austria |
| Granite Thondorf RE GmbH & Co KG | 100% | Austria |
| Granite Austria GmbH & Co KG | 100% | Austria |
| Granite Germany Holding GmbH | 99.74% | Germany |
| Granite Germany Real Estate GmbH & Co KG | 99.74% | Germany |
| Granite AS Holding Germany GmbH | 99.74% | Germany |
| Granite AS Real Estate Germany GmbH & Co. KG | 99.79% | Germany |

## GENERAL DEVELOPMENT OF THE BUSINESS

The following is a summary of the general development of Granite over the past three years:

**2022**

Acquisitions

During the year-ended December 31, 2022, Granite acquired eight income-producing industrial properties in Germany, the United States, Canada and Netherlands, one property under development in the United States and one parcel of development land in Canada. Property acquisitions consisted of the following:

| Acquisitions<br>*(in millions, except as noted)*<br>Property Address | Location | Sq ft[1] | Weighted Average Lease Term, in years by sq ft[1][3] | Date Acquired | Property Purchase Price[2] | Stabilized Yield[1] |
|---|---|---|---|---|---|---|
| **Income-producing properties:** | | | | | | |
| Georg-Beatzel Straße 15 | Wiesbaden, GER | 0.2 | 8.3 | February 3, 2022 | $ 62.0 | 3.4 % |
| Raiffeisenstraße 28-32 | Korbach, GER | 0.5 | 8.2 | February 3, 2022 | 60.3 | 3.7 % |
| In der Langen Else 4 | Erfurt, GER | 0.1 | 1.9 | February 3, 2022 | 17.6 | 4.1 % |
| 10566 Gateway Pt. | Clayton, USA | 0.9 | 9.8 | April 14, 2022 | 121.3 | 4.2 % |
| 2128 Gateway Pt. | Clayton, USA | 0.4 | 10.3 | April 14, 2022 | 57.9 | 4.4 % |
| 102 Parkshore Dr. | Brampton, CAN | 0.1 | 7.0 | May 24, 2022 | 20.9 | 4.5 % |
| 195 Steinway Blvd. | Etobicoke, CAN | 0.1 | 15.0 | May 26, 2022 | 17.7 | 5.0 % |
| Swaardvenstraat 75 | Tilburg, NED | 0.5 | 10.0 | July 1, 2022 | 102.1 | 3.2 % |
| **Property under development:** | | | | | | |
| 905 Belle Ln. | Bolingbrook, USA | 0.2 | N/A | May 5, 2022 | 14.5 | 3.9 % |
| **Development land:** | | | | | | |
| 161 Markel Dr. | Brant County, CAN | N/A | N/A | August 19, 2022 | 6.4 | N/A |
| | | **3.0** | | | **$ 480.7** | **3.8 %** |

(1) As at the date of acquisition except as noted in note 3 below.
(2) Purchase price does not include transaction costs associated with property acquisitions.
(3) Weighted average lease term applicable to the occupied space.

Dispositions

During the year ended December 31, 2022, Granite disposed of two income-producing properties and a parcel of land located in Poland and the Czech Republic for total proceeds of $66.0 million. Property dispositions consisted of the following:

| Dispositions *(in millions, except as noted)* | | | | | |
|---|---|---|---|---|---|
| **Property Address** | **Location** | **Sq ft** | **Date Disposed** | **Sale Price[1]** | **Annualized Revenue [2]** |
| **Disposed during the year ended December 31, 2022:** | | | | | |
| 10 Topolowa | Mirków, Poland | 0.3 | February 18, 2022 | $34.5 | $ 1.6 |
| 378 10 Hospodářský Park, České Velenice [3] | Třeboň, Czech Republic | 0.3 | June 9, 2022 | 31.5 | 2.6 |
| | | **0.6** | | **$66.0** | **$ 4.2** |

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

(2) As at the date of disposition.

(3) In conjunction with the disposal of the income producing property, the associated carrying value of the non-controlling interest of $1.4 million was derecognized on June 9, 2022.

Other

Effective January 1, 2022, Granite appointed Lawrence Clarfield to Executive Vice President, General Counsel and Corporate Secretary.

On February 3, 2022, Granite terminated $350.0 million of a total $500.0 million principal of the 2.096% Swap which exchanged Canadian dollar-denominated principal and interest payments of Granite's 2028 Debentures for US dollar-denominated payments at a fixed interest rate of 2.096%.

Simultaneously, Granite entered into the 0.536% Swap, a new $350.0 million cross currency interest rate swap maturing August 30, 2028 to exchange the Canadian dollar-denominated principal and interest payments of the 2028 Debentures for Euro-denominated principal and interest payments at a fixed interest rate of 0.536%. The restructuring of a portion of Granite's hedge relating to the 2028 Debentures will result in annual interest expense savings of approximately $5.5 million or approximately $0.083 on a per unit basis. Upon termination, Granite paid $6.6 million to settle the mark-to-market liability relating to the $350.0 million principal portion of the 2.096% Swap.

From April 1, 2022 to April 29, 2022, Granite issued 120,300 Stapled Units under its ATM Program, at an average Stapled Unit price of $98.84 for gross proceeds of $11.9 million, and incurred issuance costs of $0.3 million, for net proceeds of $11.6 million.

On May 19, 2022, Granite announced the renewal of its NCIB and its intention to purchase for cancellation purposes up to an aggregate of 6,566,292 of its issued and outstanding Stapled Units, from time to time, if the Stapled Units are trading at a price that Granite believes is materially below intrinsic value. The NCIB was for a 12-month period beginning on May 24, 2022 and concluded on May 23, 2023. For the year ended December 31, 2022, Granite repurchased 2,165,600 Stapled Units through the NCIB.

On June 9, 2022, at the annual general meetings of Granite GP and Granite REIT, 96.54% votes in favour were received for Granite's non-binding advisory resolution on its approach to executive compensation, 99.95% votes in favour were received for Granite's ordinary resolution approving certain amendments to the Declaration of Trust, 99.82% votes in favour were received for Granite's special resolution approving certain amendments to the Declaration of Trust, 98.77% votes in favour were received for Granite's ordinary resolution approving the Non-Employee Directors' Deferred Share Unit Plan of Granite GP, and 29.01% votes in favour were received for Granite's special resolution approving certain amendments to the articles of Granite GP.

On August 10, 2022, Granite announced that it released its 2021 ESG+R Report, which follows the GRI framework with TCFD and SASB disclosures.

On September 15, 2022, Granite LP entered into and fully drew upon the 2025 Term Loan. In conjunction with the 2025 Term Loan funding, Granite entered into a float to fixed interest rate swap to exchange the floating SOFR portion of the interest payments from the 2025 Term Loan to fixed US dollar-denominated interest payments resulting in an effective interest rate of 5.016%.

On November 9, 2022, Granite announced that it had increased its targeted annualized distribution to $3.20 from $3.10 per Stapled Unit, to be effective upon the December 2022 distribution, payable in January 2023.

**2023**

Acquisitions

During the year ended December 31, 2023, Granite acquired two income-producing industrial properties in the United States. Property acquisitions consisted of the following:

| Acquisitions<br>*(in millions, except as noted)*<br>Property Address | Location | Sq ft[1] | Weighted Average Lease Term, in years by Sq ft[1][3] | Date Acquired | Property Purchase Price[2] | Stabilized Yield[1] |
|---|---|---|---|---|---|---|
| **Income-producing properties:** | | | | | | |
| 10144 Veterans Dr. | Avon, USA | 0.7 | N/A | March 30, 2023 | $72.8 | 5.4 % |
| 10207 Veterans Dr. | Avon, USA | 0.3 | N/A | March 30, 2023 | 34.1 | 5.3 % |
| | | **1.0** | | | **$106.9** | **5.4 %** |

Dispositions

During the year ended December 31, 2023, Granite disposed of two income-producing properties in the United States and Canada for total proceeds of $45.3 million. The property in the United States was leased to a subsidiary of Magna International Inc. at the date of disposition and the property in Canada was vacant at the date of disposition. Property dispositions consisted of the following:

| **Disposition** *(in millions, except as noted)* Property Address | Location | Sq ft | Date Disposed | Sale Price[1] | Annualized Revenue [2] |
|---|---|---|---|---|---|
| **Disposed during the year ended December 31, 2023:** | | | | | |
| 4701 S. Cowan Rd. | Muncie, USA | 0.2 | March 15, 2023 | $24.7 | $1.6 |
| 50 Casmir Ct. | Concord, Canada | 0.1 | August 15, 2023 | 20.6 | — |
| | | **0.3** | | **$45.3** | **$1.6** |

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

(2) As at the date of disposition.

Other

On February 1, 2023, Granite announced that the leases at its properties in Graz, Austria comprising approximately 5.0 million SF, had been contractually extended for ten years to January 31, 2034.

On March 3, 2023, Granite amended its existing unsecured credit facility agreement to extend the maturity date for a new five-year term to March 31, 2028.

On May 19, 2023, Granite announced the renewal of its NCIB and its intention to purchase for cancellation purposes up to an aggregate of 6,349,296 of its issued and outstanding Stapled Units, from time to time, if the Stapled Units are trading at a price that Granite believes is materially below intrinsic value. The NCIB is for a 12-month period beginning on May 24, 2023 and will conclude on the earlier of the date on which purchases under the bid have been completed and May 23, 2024. For the year ended December 31, 2023, Granite repurchased 392,700 Stapled Units through the NCIB.

On June 8, 2023, at the annual general meetings of Granite GP and Granite REIT, 97.53% votes in favour were received for Granite's non-binding advisory resolution on its approach to executive compensation.

On August 9, 2023, Granite announced that it released its 2022 ESG+R Report, which follows the GRI framework with TCFD and SASB disclosures.

On September 7, 2023, Granite LP entered into and fully drew upon the September 2026 Term Loan. In conjunction with the September 2026 Term Loan funding, Granite entered into a float to fixed interest rate swap to exchange the floating EURIBOR based interest payments from the September 2026 Term Loan to fixed Euro-denominated interest payments at an interest rate of 4.3325%.

On October 12, 2023, Granite issued the April 2029 Debentures. Granite also entered into the 4.9285% Swap, a cross currency interest rate swap to exchange the Canadian dollar-denominated principal and interest payments of the April 2029 Debentures for Euro-

denominated principal and interest payments, resulting in an effective fixed interest rate of 4.9285% for the five and a half year term. The April 2029 Debentures are Granite's third green bond issuance pursuant to its Green Bond Framework.

On November 8, 2023, Granite announced that it had increased its targeted annualized distribution to $3.30 from $3.20 per Stapled Unit, to be effective upon the December 2023 distribution, payable in January 2024.

On November 30, 2023, Granite repaid its 2023 Debentures and settled the 2.43% Swap.

**2024**

Acquisitions and Dispositions

For the year ended December 31, 2024, Granite had no acquisitions or dispositions.

Other

On February 15, 2024, Granite appointed Mr. Robert Brouwer to its Board of Trustees and Board of Directors and Mr. Brouwer was also appointed to Granite's Audit Committees.

On February 21, 2024, Granite and Granite LP filed and obtained a receipt for new base shelf prospectuses for both equity and debt securities (the "Shelf Prospectuses"). The Shelf Prospectuses are valid for a 25-month period, during which time Granite may offer and issue, from time to time, stapled units, stapled convertible debentures, stapled subscription receipts, stapled warrants, units or any combination thereof, having an aggregate offering price of up to $1.5 billion and Granite LP may offer and issue, from time to time, debt securities having an aggregate offering price of up to $1.75 billion. The above-described equity Shelf Prospectuses will no longer be used following completion of the 2024 Arrangement.

On February 28, 2024, Gerald Miller announced that he would not be standing for re-election at the 2024 Unitholder Meetings and retired from the Boards effective June 6, 2024**.**

On March 27, 2024, Granite amended its existing senior unsecured revolving Credit Facility agreement to extend the maturity date for a new five-year term to March 31, 2029.

On April 15, 2024, Granite announced that at the 2024 Unitholder Meetings, it would propose an internal reorganization to simplify Granite's capital structure by replacing the Stapled Unit structure with a conventional REIT trust unit structure by way of the 2024 Arrangement. In the 2024 Arrangement, (i) the two components of each Stapled Unit would be uncoupled, (ii) the GP Shares held by holders of Stapled Units would be automatically exchanged for fractional Units and (iii) the Units would be consolidated back to the number of Stapled Units outstanding before the exchange occurred. As a result of and immediately following the 2024 Arrangement, each Unitholder would hold a number of Units equal to the number of Stapled Units they held immediately before the 2024 Arrangement, and Granite GP would become a wholly-owned subsidiary of Granite REIT.

On May 22, 2024, Granite announced the renewal of its NCIB and its intention to purchase for cancellation purposes up to an aggregate of 6,273,168 of its issued and outstanding Units, from time to time, if the Units are trading at a price that Granite believes is materially below intrinsic value. The NCIB is for a 12-month period beginning on May 24, 2024 and will conclude on the earlier of the date on which purchases under the bid have been completed

and May 23, 2025. For the year ended December 31, 2024, Granite repurchased 667,300 Units through the NCIB at an average cost of $68.64 for total consideration at $45.8 million.

On June 6, 2024, at the 2024 Unitholders Meetings, 96.75% votes in favour were received for Granite's non-binding advisory resolution on its approach to executive compensation, 99.62% votes in favour were received for Granite's special resolution approving the arrangement resolution of Granite REIT and 99.82% votes in favour were received for Granite's special resolution approving the arrangement resolution of Granite GP.

On June 10, 2024, Granite announced that the Supreme Court of British Columbia had issued a final order approving the 2024 Arrangement to simplify Granite's capital structure by replacing the Stapled Unit structure with a conventional REIT trust unit structure.
On August 1, 2024, Granite completed the 49,000 square foot expansion of its approximate 100,000 square foot industrial facility in Ajax, Ontario. Upon completion, a ten-year lease commenced for approximately 29,000 square feet.

On August 7, 2024, Granite announced that it released its 2024 ESG+R Report, which follows the GRI framework with TCFD and SASB disclosures.

On August 30, 2024, Granite completed the 52,000 square foot expansion of its approximate 238,000 square foot modern distribution facility in Weert, Netherlands. As a result of the expansion completion, the tenant has committed to a new ten-year term for the entire expanded facility.

On October 1, 2024, Granite announced that it had completed the 2024 Arrangement and Granite REIT and Granite GP entered into the Support Agreement Termination Agreement.

On October 4, 2024, Granite LP issued the October 2029 Debentures and the 2031 Debentures. Granite also entered into the 3.494% Swap, a cross currency interest rate swap to exchange the Canadian dollar-denominated principal and interest payments of the October 2029 Debentures for Euro-denominated principal and interest payments, resulting in an effective fixed interest rate of 3.494% for the five year term.

On October 4, 2024, Granite LP prepaid in full the outstanding US$400.0 million aggregate principal amount of the 2025 Term Loan with no prepayment penalty. In conjunction with the prepayment, the 5.016% Swap was terminated on October 2, 2024 and the related mark to market asset was settled on October 4, 2024.

On November 6, 2024, Granite announced that it had increased its targeted annualized distribution to $3.40 from $3.30 per Unit, to be effective upon the December 2024 distribution, payable in January 2025.

On November 27, 2024, Granite REIT filed and obtained a receipt for a new base shelf prospectus for equity securities (the "Equity Shelf Prospectus") relying on the well-known seasoned issuer exemption. The Equity Shelf Prospectus is valid for a 25-month period, during which time Granite REIT may offer and issue, from time to time, Units, convertible debentures, subscription receipts, warrants, securities comprised of more than one of Units, convertible debentures, subscription receipts and/or warrants offered together as a unit, or any combination thereof.

On December 10, 2024, Granite LP prepaid EUR 10.0 million aggregate principal amount of the September 2026 Term Loan with no prepayment penalty. In conjunction with the

prepayment, a EUR 10.0 million principal portion of the 4.3325% Swap was terminated on December 10, 2024 and the related mark to market liability was settled.

On December 19, 2024, Granite LP repaid in full at maturity the outstanding US$185.0 million aggregate principal amount of the 2024 Term Loan. In conjunction with the repayment, the related mark to market liability on the 0.522% Swap was settled.

**2025**

On January 16, 2025, Moody's withdrew all credit ratings of Granite at Granite's request. The outlook prior to the withdrawal was stable.

On February 4, 2025, Granite LP issued the 2026 Debentures. Through the 1.355% Swap, Granite has exchanged the Canadian dollar denominated principal and floating rate interest payments related to the 2026 Debentures for Euro denominated principal and fixed interest payments, resulting in an effective fixed interest rate of 0.27% per annum for the term of the 2026 Debentures.

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.

As at February 26, 2025, Granite REIT had repurchased 459,100 Units under its NCIB in 2025, at an average unit cost of $68.75 for total consideration of $31.6 million, excluding commissions and taxes on net repurchases of Units.

Subsequent to the fourth quarter of 2024, Granite signed a 12-year lease agreement with a leading global consumer food product company for approximately 391,000 square feet to be constructed as the third phase of the development site in Houston, Texas for approximately US$50.0 million. The lease will commence upon completion of the property, which is expected to occur in the fourth quarter of 2026 and is expected to generate a stabilized development yield of approximately 7.5%.

## BUSINESS OVERVIEW

Granite is a Canadian-based real estate investment trust engaged in the acquisition, development, ownership and management of logistics, warehouse and industrial properties in North America and Europe. As at February 26, 2025, Granite owns 143 investment properties in five countries having approximately 63.3 million SF of gross leasable area.

Granite provides Unitholders with stable cash flow growth generated by revenue it derives from the ownership of and investment in income-producing real estate properties and development properties. It strives to maximize long term unit value through the execution of its long-term strategy of building an institutional quality and globally diversified industrial real estate business. Underpinning this strategy, Granite seeks to grow and diversify its asset base through acquisitions, development, re-development and dispositions; to drive organic growth through leasing execution and asset management; maintain a conservative balance sheet; and to reduce its exposure to its largest tenant, Magna, and the special purpose properties.

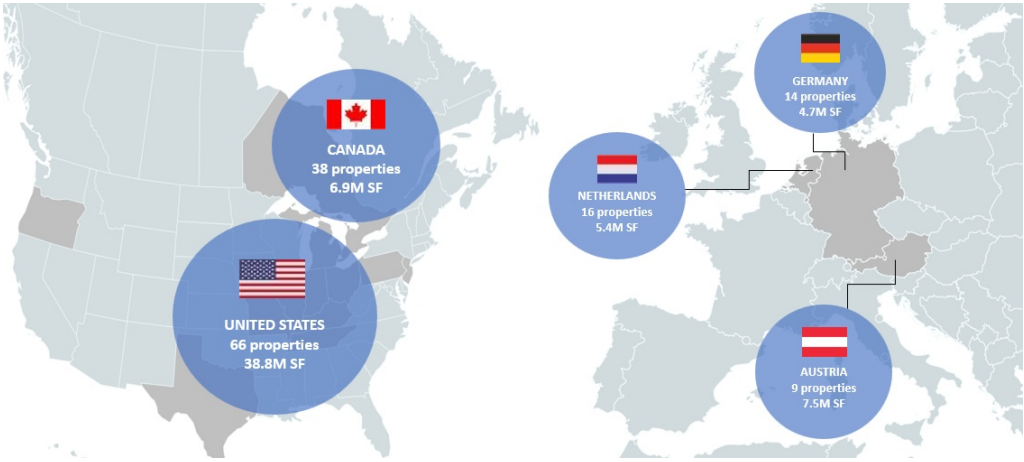
Granite has positioned itself financially to execute on its strategic plan including to capitalize on any strategic opportunities as they arise within its targeted geographic footprint as well as benefit from a net leverage ratio of 32% and as of February 26, 2025, liquidity of approximately $1.1 billion. Granite believes this favourable liquidity position and continued conservative leverage will facilitate Granite’s near-term objectives to drive net asset value growth through development and opportunistic acquisitions and execute on its long-term

strategy of building an institutional quality and globally diversified industrial real estate business.

**Investment Properties**

Granite's investment properties consist of income-producing properties and development properties as set out in the audited consolidated combined financial statements as at December 31, 2024. Granite's investment properties by geographic location, property count and square footage as at February 26, 2025 are summarized below:

**Investment Properties Summary**
**Five countries/143 properties/63.3 million SF**




**Income-Producing Properties**

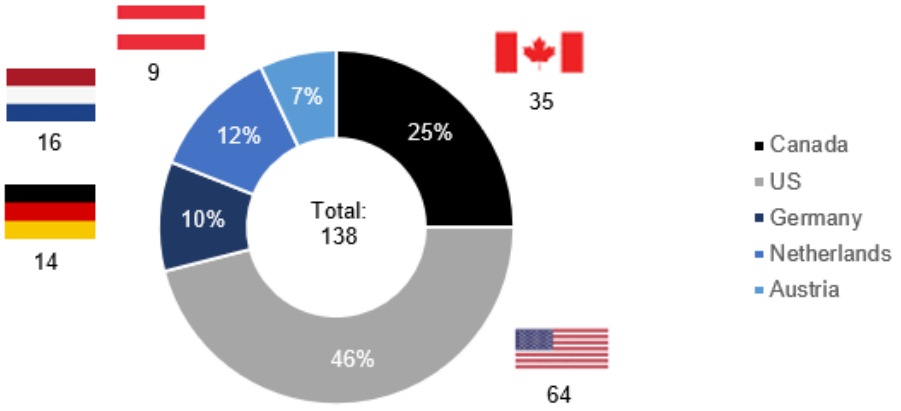
***Geographic Breakdown***

As at December 31, 2024, Granite's income-producing properties were located in five countries: Canada, the United States, Netherlands, Austria and Germany. Lease payments are denominated in three currencies: the Canadian dollar, the US dollar and the Euro. Unless the context requires otherwise, references to income-producing properties do not include the properties currently classified by Granite as development properties (five properties) as set out in the audited consolidated combined financial statements as at December 31, 2024.

The following charts show the geographic breakdown of Granite's income-producing properties by number and approximate square footage as at December 31, 2024:

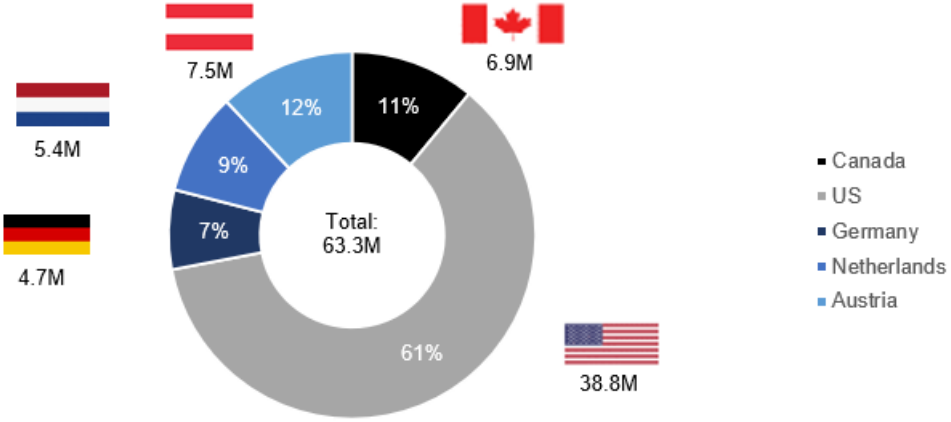
## Geographic Breakdown

Number of Income-Producing Properties(1)




(1) The chart does not include development properties (five properties) in the consolidated combined financial statements as at December 31, 2024.

Square Feet(1)




(1) The chart does not include development properties (five properties) in the consolidated combined financial statements as at December 31, 2024.

The following table shows the geographic breakdown of Granite's income-producing properties by fair value as at December 31, 2024:

| Real Estate Assets | | |
|---|---|---|
| Location | Income-Producing Property Portfolio Fair Value (in millions) | Income-Producing Property Portfolio Fair Value |
| **North America** | | |
| Canada | $ 2,032.2 | 21.9 % |
| United States | 5,023.2 | 54.0 % |
| **Europe** | | |
| Austria | 834.5 | 9.0 % |
| Germany | 625.7 | 6.7 % |
| Netherlands | 781.5 | 8.4 % |
| **Total** | **$ 9,297.1** | **100.0 %** |

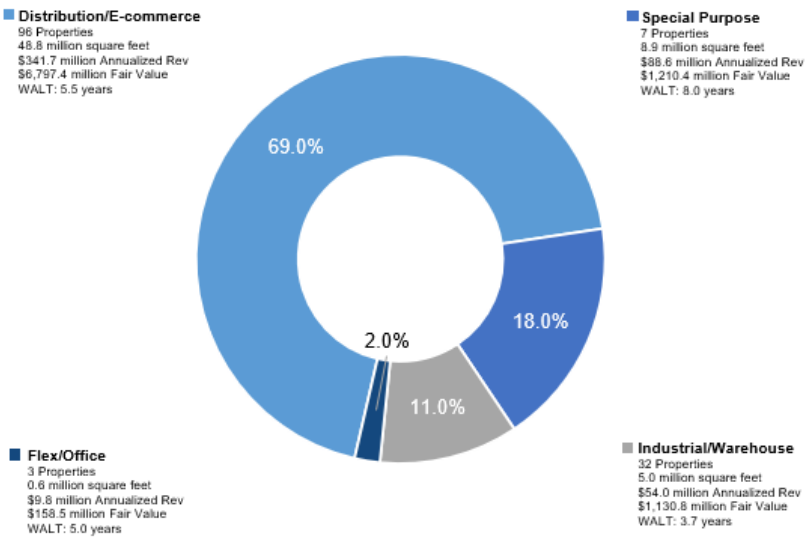
## Property Types

Substantially all of Granite's 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 chart below illustrates the proportion of Granite's annualized revenue from income-producing properties that are distribution/e-commerce, industrial/warehouse, flex/office or special purpose properties as at December 31, 2024.

**Annualized Revenue[1] by Property Type**

[1] The chart does not include development properties (five properties) in the consolidated combined financial statements as at December 31, 2024.



Tenant Overview

In addition to Magna, at December 31, 2024, Granite had 119 other tenants from various industries that in aggregate comprised 74% of Granite's annualized revenue. Each of these tenants accounted for less than 5% of Granite's annualized revenue as at December 31, 2024.

Granite's top 10 tenants by annualized revenue at December 31, 2024 are summarized in the table below:

**Top 10 Tenants Summary**

| Tenant | Annualized Revenue % | GLA % | WALT (years)[3] | Credit Rating[1][2] |
|---|---|---|---|---|
| Magna | 26.1 % | 19.2 % | 6.4 | A- |
| Amazon | 4.0 % | 3.9 % | 14.2 | AA |
| Mars Petcare US | 2.7 % | 3.5 % | 5.6 | NR |
| True Value Company | 2.1 % | 2.2 % | 16.2 | NR |
| Ceva Logistics US Inc. | 1.9 % | 1.6 % | 2.0 | B1 |
| ADESA | 1.8 % | 0.3 % | 4.6 | B- |
| Restoration Hardware | 1.6 % | 1.9 % | 3.3 | B1 |
| Light Mobility Solutions GmbH | 1.5 % | 1.3 % | 10.9 | NR |
| Hanon Systems | 1.5 % | 0.7 % | 6.2 | AA- |
| Samsung Electronics America | 1.5 % | 1.2 % | 1.7 | AA- |
| **Top 10 Tenants** | **44.7 %** | **35.8 %** | **7.2** | |

(1) Credit rating is quoted on the Standard & Poor's 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.

As at December 31, 2024, Magna, a diversified global automotive supplier, was the tenant at 27 of Granite's income-producing properties and lease payments under those leases represented approximately 26% of Granite's annualized revenue. See ''— Magna, Granite's Largest Tenant''.

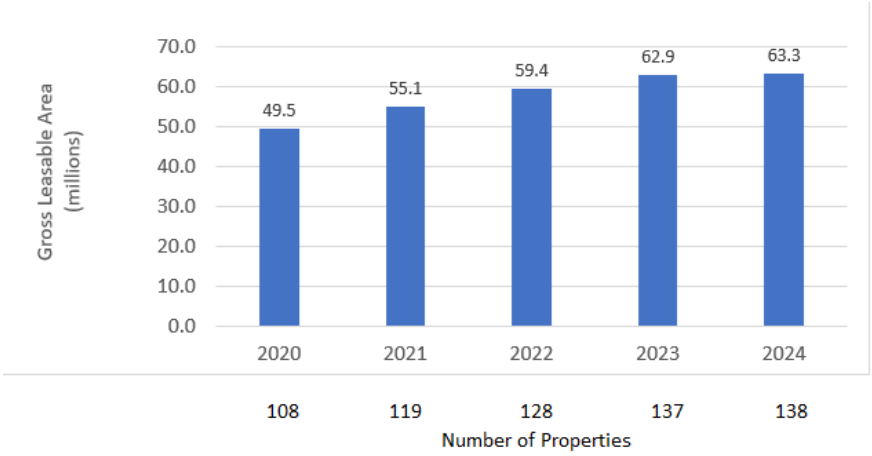
Granite believes that its existing portfolio of Magna-tenanted properties provides a level of stability for its business. Six of Granite's seven special purpose properties are occupied exclusively by Magna in Canada and Austria. Magna has invested significant capital in these active production facilities making it expensive to relocate. The special purpose attributes of these properties may make it more difficult to lease to future tenants should Magna vacate (see ''Risk Factors''), but with a weighted average remaining lease term of 6.4 years as at December 31, 2024, they also present the opportunity for a stable and, relative to distribution/ e-commerce, industrial/warehouse or flex/office properties, enhanced rental income stream. See ''— Magna, Granite's Largest Tenant''. On balance, the risk profile of the special purpose properties is substantially similar to that of Granite's distribution/e-commerce, industrial/ warehouse and flex/office properties.

**Profile of Granite's Real Estate Portfolio**

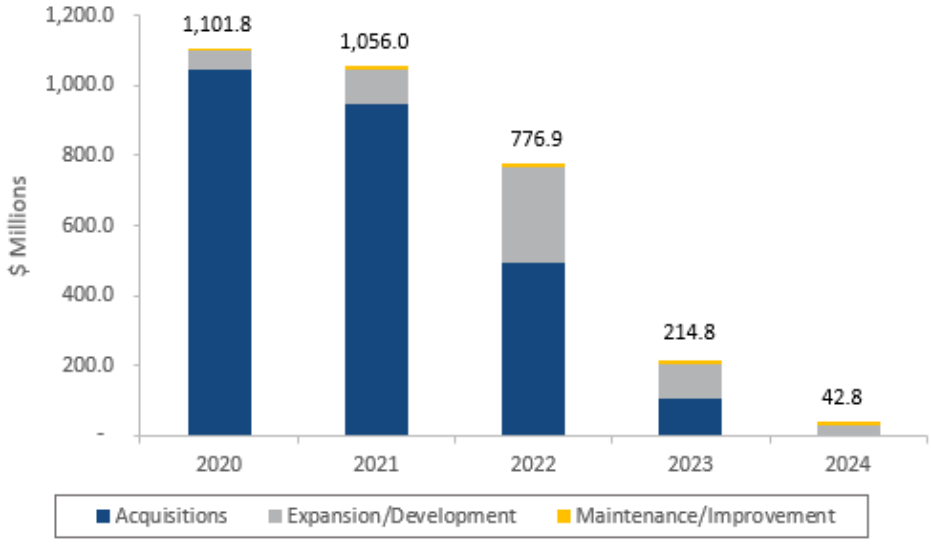
### *Granite's Income-Producing Real Estate Portfolio*

The following chart shows the total leasable area (net of dispositions) and number of properties within Granite's income-producing property portfolio in each of the last five years:

**Total Leasable Area and Number of Properties**




The chart below shows Granite's historical capital expenditures for its real estate portfolio, including (i) acquisitions; (ii) expansion/development, and (iii) maintenance/improvements in each of the last five years:



**Schedule of Lease Expiries**

The weighted average remaining term to expiry based on leased area for income-producing properties was as follows as at December 31 in each of the last five years:

December 31, 2024 — 5.7 years;
December 31, 2023 — 6.2 years;
December 31, 2022 — 5.9 years;
December 31, 2021 — 5.8 years; and
December 31, 2020 — 6.3 years.

### *Lease Expiration*

As at December 31, 2024, Granite's portfolio had a weighted average lease term by square footage of 5.7 years (December 31, 2023 - 6.2 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 | 34 | 82.1 | 166 | 1,259 | 10.6 | 573 | 6.1 | 529 | 7.0 | 649 | 9.7 | 817 | 13.1 | 141 | 1.5 | 2,873 | 34.1 |
| **Canada-committed** (1) | — | — | — | — | (896) | (6.9) | — | — | — | — | — | — | — | — | 896 | 6.9 | — | — |
| **Canada - net** | **7,007** | **34** | **82.1** | **166** | **363** | **3.7** | **573** | **6.1** | **529** | **7.0** | **649** | **9.7** | **817** | **13.1** | **1,037** | **8.4** | **2,873** | **34.1** |
| United States | 38,821 | 80 | 259.0 | 2,925 | 3,112 | 20.5 | 3,309 | 26.8 | 2,642 | 17.2 | 7,409 | 47.3 | 5,515 | 44.3 | 1,822 | 10.6 | 12,087 | 92.3 |
| **United States-committed** (1) | — | — | — | — | (1,902) | (10.1) | (248) | (1.7) | — | — | 1,158 | 5.8 | — | — | 744 | 4.3 | 248 | 1.7 |
| **United States - net** | **38,821** | **80** | **259.0** | **2,925** | **1,210** | **10.4** | **3,061** | **25.1** | **2,642** | **17.2** | **8,567** | **53.1** | **5,515** | **44.3** | **2,566** | **14.9** | **12,335** | **94.0** |
| **United States - committed vacancy** (2) | | | | **(57)** | — | — | — | — | — | — | — | — | **57** | — | — | — | — | — |
| **United States - net with committed vacancy** | | | | **2,868** | **1,210** | **10.4** | **3,061** | **25.1** | **2,642** | **17.2** | **8,567** | **53.1** | **5,572** | **44.3** | **2,566** | **14.9** | **12,335** | **94.0** |
| Austria | 7,472 | 9 | 71.9 | — | — | — | 389 | 3.1 | 802 | 11.2 | 807 | 9.5 | 392 | 4.4 | — | — | 5,082 | 43.7 |
| **Austria-committed** (1) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| **Austria-net** | **7,472** | **9** | **71.9** | **—** | **—** | — | **389** | **3.1** | **802** | **11.2** | **807** | **9.5** | **392** | **4.4** | **—** | **—** | **5,082** | **43.7** |
| Germany | 4,666 | 15 | 37.7 | — | 316 | 2.7 | 1,021 | 6.4 | 290 | 2.2 | 335 | 2.7 | 308 | 2.3 | 714 | 5.0 | 1,682 | 16.4 |
| **Germany-committed** (1) | — | — | — | — | (195) | (1.9) | — | — | — | — | — | — | — | — | 195 | 1.9 | — | — |
| **Germany-net** | **4,666** | **15** | **37.7** | **—** | **121** | **0.8** | **1,021** | **6.4** | **290** | **2.2** | **335** | **2.7** | **308** | **2.3** | **909** | **6.9** | **1,682** | **16.4** |
| Netherlands | 5,376 | 21 | 43.4 | 115 | 663 | 6.5 | 361 | 2.0 | 1,125 | 8.4 | 314 | 3.2 | 500 | 3.4 | 1,077 | 9.9 | 1,221 | 10.0 |
| **Netherlands - committed** (1) | — | — | — | — | (628) | (5.8) | — | — | — | — | — | — | — | — | 628 | 5.8 | — | — |
| **Netherlands - net** | **5,376** | **21** | **43.4** | **115** | **35** | **0.7** | **361** | **2.0** | **1,125** | **8.4** | **314** | **3.2** | **500** | **3.4** | **1,705** | **15.7** | **1,221** | **10.0** |
| **Total - Gross** | 63,342 | 159 | 494.1 | 3,206 | 5,350 | 40.3 | 5,653 | 44.4 | 5,388 | 46.0 | 9,514 | 72.4 | 7,532 | 67.5 | 3,754 | 27.0 | 22,945 | 196.5 |
| **Total-committed** (1) | — | — | — | — | (3,621) | (24.7) | (248) | (1.7) | — | — | 1,158 | 5.8 | — | — | 2,463 | 18.9 | 248 | 1.7 |
| **Total-Net, December 31, 2024** | **63,342** | **159** | **494.1** | **3,206** | **1,729** | **15.6** | **5,405** | **42.7** | **5,388** | **46.0** | **10,672** | **78.2** | **7,532** | **67.5** | **6,217** | **45.9** | **23,193** | **198.2** |
| **Total-Committed vacancy** (2) | | | | (57) | | | | | | | | | 57 | | | | | |
| **Total-Committed occupancy** (3) | | | | 3,149 | 1,729 | 15.6 | 5,405 | 42.7 | 5,388 | 46.0 | 10,672 | 78.2 | 7,589 | 67.5 | 6,217 | 45.9 | 23,193 | 198.2 |
| **% of portfolio as at December 31, 2024:** | | | | | | | | | | | | | | | | | | |
| ***by sq ft (in %)** | **100.0** | | | **5.1** | **2.7** | | **8.5** | | **8.5** | | **16.8** | | **11.9** | | **9.8** | | **36.7** | |
| ***** **by Annualized Revenue (in %)** | | | **100.0** | | | **3.2** | | **8.6** | | **9.3** | | **15.8** | | **13.7** | | **9.3** | | **40.1** |
| **% of committed portfolio as at February 26, 2025** (3) | | | | | | | | | | | | | | | | | | |
| ***by sq ft (in %)** | **100.0** | | | **5.0** | **2.7** | | **8.5** | | **8.5** | | **16.8** | | **12.0** | | **9.8** | | **36.7** | |

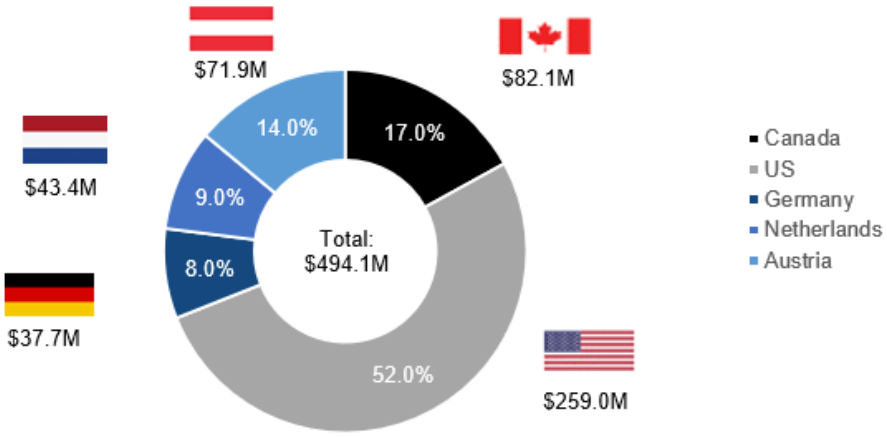
(1) Committed represents leases signed on expiring GLA up to the current period end.
(2) Committed vacancy represents leases commencing after the current period end, signed up until the date of the AIF, on vacant GLA.
(3) Committed occupancy includes net occupancy as at the current period end and committed vacancy as noted above.

## Principal Markets in which Granite Operates

### *Geographic Diversification*

The following chart shows a breakdown of Granite's annualized revenue by country from income-producing properties as at December 31, 2024:

**Income-Producing Property Portfolio Breakdown of Annualized Revenue by Country at December 31, 2024 (in millions of dollars)**




The chart below shows the breakdown of Granite's income-producing property portfolio by country, property type, fair value and number of properties as at December 31, 2024:

**Income-Producing Property Portfolio Breakdown by Country, Property Type, Fair Value & Number of Properties as at December 31, 2024 (in millions of dollars)**

| | Distribution/E-Commerce | | Industrial/Warehouse | | Flex/Office | | Special purpose properties | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Country** | **Fair Value** | **#** | **Fair Value** | **#** | **Fair Value** | **#** | **Fair Value** | **#** | **Fair Value** | **#** |
| Canada | $ 663.8 | 9 | $ 881.2 | 22 | $ 86.7 | 2 | $ 400.5 | 2 | $ 2,032.2 | 35 |
| United States | 4,934.8 | 62 | 16.6 | 1 | 71.8 | 1 | — | — | 5,023.2 | 64 |
| Austria | — | — | 103.1 | 5 | — | — | 731.4 | 4 | 834.5 | 9 |
| Germany | 447.8 | 10 | 99.4 | 3 | — | — | 78.5 | 1 | 625.7 | 14 |
| Netherlands | 751.0 | 15 | 30.5 | 1 | — | — | — | — | 781.5 | 16 |
| **Total** | **$ 6,797.4** | **96** | **$ 1,130.8** | **32** | **$ 158.5** | **3** | **$ 1,210.4** | **7** | **$ 9,297.1** | **138** |

The table below is a listing of Granite's income-producing property portfolio by country as at December 31, 2024:

| List of Income-Producing Properties by Region | | | |
|---|---|---|---|
| **Property Address** | **Location** | **Property Type** | **Sq ft** |
| 365 Market Dr. | Milton, ON, CAN | Distribution/E-Commerce | 195,944 |
| 600 Tesma Way | Concord, ON, CAN | Distribution/E-Commerce | 144,862 |
| 2020 Logistics Dr. | Mississauga, ON, CAN | Distribution/E-Commerce | 773,318 |
| 2095 Logistics Dr. | Mississauga, ON, CAN | Distribution/E-Commerce | 232,552 |
| 8995 Airport Rd | Brampton, ON, CAN | Distribution/E-Commerce | 125,650 |
| 115 Sinclair Blvd. | Brantford, ON, CAN | Distribution/E-Commerce | 397,080 |
| 195 Steinway Blvd. | Etobicoke, ON, CAN | Distribution/E-Commerce | 68,612 |
| 102 Parkshore Dr. | Brampton, ON, CAN | Distribution/E-Commerce | 54,350 |
| 4 Bowery Rd. | Brantford, ON, CAN | Distribution/E-Commerce | 409,767 |
| 2550 Steeles Avenue E. | Brampton, ON, CAN | Flex/Office | 253,410 |
| 1000 Tesma Way | Concord, ON, CAN | Flex/Office | 48,951 |
| 225 Claireville Dr. | Etobicoke, ON, CAN | Industrial/Warehouse | 214,180 |
| 190 Claireville Dr. | Etobicoke, ON, CAN | Industrial/Warehouse | — |
| 210 Citation Dr. | Concord, ON, CAN | Industrial/Warehouse | 245,962 |
| 201 Confederation Pkwy | Concord, ON, CAN | Industrial/Warehouse | 214,667 |
| 401 Caldari Rd. | Concord, ON, CAN | Industrial/Warehouse | 200,834 |
| 140 Staffern Dr. | Concord, ON, CAN | Industrial/Warehouse | 173,445 |
| 251 Aviva Park Dr. | Concord, ON, CAN | Industrial/Warehouse | 275,552 |
| 67 Green Lane | Markham, ON, CAN | Industrial/Warehouse | 90,879 |
| 90 Snidercroft Rd | Concord, ON, CAN | Industrial/Warehouse | 115,805 |
| 20 Pullman Crt. | Scarborough, ON, CAN | Industrial/Warehouse | 41,163 |
| 2000 Langstaff Rd. | Concord, ON, CAN | Industrial/Warehouse | 115,030 |
| 141 Staffern Dr. | Concord, ON, CAN | Industrial/Warehouse | 143,363 |
| 430 Cochrane Dr. | Concord, ON, CAN | Industrial/Warehouse | 98,893 |
| 800 Tesma Way | Concord, ON, CAN | Industrial/Warehouse | 190,686 |
| 1755 Argentia Rd. | Mississauga, ON, CAN | Industrial/Warehouse | 253,000 |
| 555 Beck Cres. | Ajax, ON, CAN | Industrial/Warehouse | 148,585 |
| 5600 Timberlea Blvd. | Mississauga, ON, CAN | Industrial/Warehouse | 22,786 |
| 5610 Timberlea Blvd. | Mississauga, ON, CAN | Industrial/Warehouse | 43,323 |
| 5620 Timberlea Blvd. | Mississauga, ON, CAN | Industrial/Warehouse | 23,525 |
| 5630 Timberlea Blvd. | Mississauga, ON, CAN | Industrial/Warehouse | 29,722 |
| 100 Ronson Dr. | Etobicoke, ON, CAN | Industrial/Warehouse | 74,091 |
| 110 Ronson Dr. | Etobicoke, ON, CAN | Industrial/Warehouse | 72,156 |
| 331 Market Dr. | Milton, ON, CAN | Special Purpose Property | 928,617 |
| 400 Chisholm Dr. | Milton, ON, CAN | Special Purpose Property | 586,402 |
| **Total Canada** | | | **7,007,162** |
| Elin-Süd-Straße 14 | Weiz, AT | Industrial/Warehouse | 88,178 |
| Neudorf 164 | Neudorf bei Ilz, AT | Industrial/Warehouse | 300,560 |
| Frank-Stronach-Straße 3 | Albersdorf, AT | Industrial/Warehouse | 125,421 |
| Elin-Süd-Straße 16 | Weiz, AT | Industrial/Warehouse | 152,395 |
| Elin-Süd-Straße 18 | Weiz, AT | Industrial/Warehouse | 239,906 |
| Frank-Stronach-Straße 1 | Albersdorf, AT | Special Purpose Property | 806,675 |
| Industriestraße 35 | Lannach, AT | Special Purpose Property | 802,029 |
| Liebenauer Hauptstraße 317 | Graz, AT | Special Purpose Property | 3,850,075 |

| List of Income-Producing Properties by Region | | | |
|---|---|---|---|
| **Property Address** | **Location** | **Property Type** | **Sq ft** |
| Walter-P.-Chrysler-Platz 1 | Graz, AT | Special Purpose Property | 1,106,594 |
| **Total Austria** | | | **7,471,833** |
| Im Ghai 36 | Altbach, GER | Distribution/E-Commerce | 292,654 |
| Belgrader Straße 2-4 | Straubing, GER | Distribution/E-Commerce | 218,701 |
| Heisenbergstraße 2 | Peine, GER | Distribution/E-Commerce | 303,391 |
| Opmünder Weg 80 | Soest, GER | Distribution/E-Commerce | 308,310 |
| Max-Herz-Straße 5 | Neumarkt in der Oberpfalz, GER | Distribution/E-Commerce | 194,827 |
| Max-Eyth-straße 2 | Empfingen, GER | Distribution/E-Commerce | 116,218 |
| Joseph-Meyer-Straße 3 | Erfurt, GER | Distribution/E-Commerce | 717,133 |
| Georg-Beatzel Strasse 15 | Wiesbaden, GER | Distribution/E-Commerce | 209,390 |
| Raiffeisenstrasse 28-32 | Korbach, GER | Distribution/E-Commerce | 505,042 |
| In der Langen Else 4 | Erfurt, GER | Distribution/E-Commerce | 121,481 |
| Unterm Hünenstein 4 | Heilbad Heiligenstadt, GER | Industrial/Warehouse | 289,904 |
| Peiner Straße 151-155 | Saltzgitter, GER | Industrial/Warehouse | 364,724 |
| Stettiner Straße 7 | Straubing, GER | Industrial/Warehouse | 228,281 |
| Jakob-Wolf-Straße 12 | Obertshausen, GER | Special Purpose Property | 796,431 |
| **Total Germany** | | | **4,666,487** |
| Blankenweg 22 | Bergen op Zoom, NL | Distribution/E-Commerce | 627,535 |
| Hertog Karelweg 22 | Haaften, NL | Distribution/E-Commerce | 499,876 |
| Nieuwesluisweg 250 | Botlek Rotterdam, NL | Distribution/E-Commerce | 313,789 |
| Heirweg 3 | Born, NL | Distribution/E-Commerce | 259,378 |
| Aquamarijnweg 1 | Bleiswijk, NL | Distribution/E-Commerce | 238,598 |
| Oude Graaf 15 | Weert, NL | Distribution/E-Commerce | 291,871 |
| De Kroonstraat 1 | Tilburg, NL | Distribution/E-Commerce | 494,780 |
| Francis Baconstraat 4 | Ede, NL | Distribution/E-Commerce | 125,098 |
| Industrieweg 15 | Voorschoten, NL | Distribution/E-Commerce | 355,140 |
| Zuidelijke Havenweg 2 | Hengelo, NL | Distribution/E-Commerce | 307,923 |
| Beurtvaartweg 2-4 | Nijmegen, NL | Distribution/E-Commerce | 148,219 |
| Sprengenweg 1-2 | Nijmegen, NL | Distribution/E-Commerce | 195,903 |
| Swaardvenstraat 75 | Tilburg, NL | Distribution/E-Commerce | 496,399 |
| Hazeldonk 6520-6524 | Breda, NL | Distribution/E-Commerce | 577,774 |
| Hazeldonk 6526-6530 | Breda, NL | Distribution/E-Commerce | 287,644 |
| Sophialaan 5 | Utrecht, NL | Industrial/Warehouse | 156,588 |
| **Total Netherlands** | | | **5,376,515** |
| 2100 Center Square Rd. | Logan Township, NJ, USA | Distribution/E-Commerce | 365,760 |
| 101 Clyde Alexander Ln. | Pooler, GA, USA | Distribution/E-Commerce | 347,280 |
| 41 Martha Dr. | Bethel, PA, USA | Distribution/E-Commerce | 750,000 |
| 972 Conestoga Pkwy. | Shepherdsville, KY, USA | Distribution/E-Commerce | 631,336 |
| 18201 NE Portal Way | Portland, OR, USA | Distribution/E-Commerce | 264,984 |
| 8741 Jacquemin Dr. | West Chester, OH, USA | Distribution/E-Commerce | 601,065 |
| 501 Airtech Pkwy. | Plainfield, IN, USA | Distribution/E-Commerce | 500,000 |
| 1451 Allpoints Court | Plainfield, IN, USA | Distribution/E-Commerce | 533,520 |
| 1201 Allpoints Court | Plainfield, IN, USA | Distribution/E-Commerce | 510,965 |
| 535 Gateway Blvd. | Monroe, OH, USA | Distribution/E-Commerce | 651,515 |
| 601/673 Gateway Blvd. | Monroe, OH, USA | Distribution/E-Commerce | 649,312 |
| 8735 South Crossroad Dr. | Olive Branch, MS, USA | Distribution/E-Commerce | 869,892 |

| List of Income-Producing Properties by Region | | | |
|---|---|---|---|
| **Property Address** | **Location** | **Property Type** | **Sq ft** |
| 3870 South Ronald Reagan Pkwy. | Plainfield, IN USA | Distribution/E-Commerce | 597,025 |
| 15 Commerce Pkwy. | West Jefferson, OH, USA | Distribution/E-Commerce | 1,305,000 |
| 10 Enterprise Pkwy. | West Jefferson, OH, USA | Distribution/E-Commerce | 843,098 |
| 100 Enterprise Pkwy. | West Jefferson, OH, USA | Distribution/E-Commerce | 1,223,780 |
| 115 Enterprise Pkwy. | West Jefferson, OH, USA | Distribution/E-Commerce | 743,600 |
| 181 Antrim Commons Dr. | Greencastle, PA, USA | Distribution/E-Commerce | 432,000 |
| 120 Velocity Way | Shepherdsville, KY, USA | Distribution/E-Commerce | 721,050 |
| 3501 N Lancaster Hutchins Rd. | Lancaster, TX, USA | Distribution/E-Commerce | 196,366 |
| 201 Sunridge Blvd. | Wilmer, TX, USA | Distribution/E-Commerce | 822,550 |
| 1901 Beggrow St. | Columbus, OH, USA | Distribution/E-Commerce | 802,390 |
| 1222 Commerce Pkwy. | Horn Lake, MS, USA | Distribution/E-Commerce | 300,145 |
| 831 North Graham Rd. | Greenwood, IN, USA | Distribution/E-Commerce | 496,416 |
| 100 Clyde Alexander Lane | Pooler, GA, USA | Distribution/E-Commerce | 689,400 |
| 1301 Chalk Hill Rd. | Dallas, TX, USA | Distribution/E-Commerce | 2,300,173 |
| 330 E. Stateline Rd. | Southaven, MS, USA | Distribution/E-Commerce | 910,000 |
| 440 E. Stateline Rd. | Southaven, MS, USA | Distribution/E-Commerce | 754,000 |
| 5000 Village Creek Rd. | Fort Worth, TX, USA | Distribution/E-Commerce | 605,489 |
| 4460 East Holmes Rd. | Memphis, TN, USA | Distribution/E-Commerce | 449,600 |
| 4995 Citation Dr. | Memphis, TN, USA | Distribution/E-Commerce | 366,800 |
| 8650 Commerce Dr. | Southaven, MS, USA | Distribution/E-Commerce | 740,844 |
| 445 Airtech Pkwy. | Plainfield, IN, USA | Distribution/E-Commerce | 622,440 |
| 6201 Green Pointe Dr. | Groveport, OH, USA | Distribution/E-Commerce | 484,216 |
| 8754 Trade Port Dr. | West Chester, OH, USA | Distribution/E-Commerce | 479,512 |
| 8779 LeSaint Dr. | Hamilton, OH, USA | Distribution/E-Commerce | 345,600 |
| 5415 Centerpoint Pkwy. | Obetz, OH, USA | Distribution/E-Commerce | 478,053 |
| 8500 Tatum Rd. | Palmetto, GA, USA | Distribution/E-Commerce | 982,777 |
| 3090 Hwy 42 | Locust Grove, GA, USA | Distribution/E-Commerce | 1,011,907 |
| 12 Tradeport Rd. | Nanticoke, PA, USA | Distribution/E-Commerce | 1,391,228 |
| 250 Tradeport Rd. | Nanticoke, PA, USA | Distribution/E-Commerce | 611,000 |
| 3801 Rock Creek Blvd. | Joliet, IL, USA | Distribution/E-Commerce | 309,840 |
| 3900 Rock Creek Blvd. | Joliet, IL, USA | Distribution/E-Commerce | 324,014 |
| 1695-1701 Crossroads Dr. | Joliet, IL, USA | Distribution/E-Commerce | 459,070 |
| 2120 Logistics Way | Murfreesboro, TN, USA | Distribution/E-Commerce | 844,480 |
| 60 Logistics Blvd. | Richwood, KY, USA | Distribution/E-Commerce | 678,363 |
| 1243 Gregory Dr. | Antioch, IL, USA | Distribution/E-Commerce | 454,276 |
| 1600 Rock Creek Blvd. | Joliet, IL, USA | Distribution/E-Commerce | 137,544 |
| 8740 South Crossroads Dr. | Olive Branch, TN, USA | Distribution/E-Commerce | 861,252 |
| 12577 Stateline Rd. | Olive Branch, TN, USA | Distribution/E-Commerce | 408,197 |
| 5400 E. 500 S. | Whitestown, IN, USA | Distribution/E-Commerce | 961,922 |
| 10566 Gateway Pt. | Clayton, IN, USA | Distribution/E-Commerce | 911,552 |
| 2128 Gateway Pt. | Clayton, IN, USA | Distribution/E-Commerce | 443,077 |
| 10144 Veterans Dr | Avon, IN, USA | Distribution/E-Commerce | 712,800 |
| 10207 Veterans Dr. | Avon, IN, USA | Distribution/E-Commerce | 291,600 |
| 13220 Crosby Fwy. | Houston, TX, USA | Distribution/E-Commerce | 295,640 |
| 13230 Crosby Fwy. | Houston, TX, USA | Distribution/E-Commerce | 373,150 |
| 13250 Crosby Fwy. | Houston, TX, USA | Distribution/E-Commerce | 687,902 |

| List of Income-Producing Properties by Region | | | |
|---|---|---|---|
| **Property Address** | **Location** | **Property Type** | **Sq ft** |
| 100 Business Park Dr. | Lebanon, TN, USA | Distribution/E-Commerce | 169,250 |
| 120 Business Park Dr. | Lebanon, TN, USA | Distribution/E-Commerce | 175,000 |
| 150 Business Park Dr. | Lebanon, TN, USA | Distribution/E-Commerce | 165,000 |
| 905 Belle Ln. | Bolingbrook, IL, USA | Distribution/E-Commerce | 220,620 |
| 39600 Lewis Dr. | Novi, MI, USA | Flex/Office | 307,125 |
| 1000/1100 Integram Dr. | Pacific, MO, USA | Industrial/Warehouse | 246,327 |
| **Total USA** | | | **38,820,089** |
| **Total Portfolio** | | | **63,342,086** |

### *Development Properties*

As of December 31, 2024, Granite's development properties are comprised of both properties under development and land held for development which includes:

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 101.5 acre site in Houston, Texas where Granite is currently seeking site plan approval and continues its site infrastructure work for the third phase of development for up to 1.3 million square feet;
iii. 12.9 acres of development land in West Jefferson, Ohio;
iv. 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
v. 10.1 acres of land in Brant County, Ontario for the development of a 0.2 million square foot modern distribution facility.

### *Development Projects*

As at December 31, 2024, the attributes of Granite's development properties were as follows:

| Development and Expansion Projects | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Land acreage (in acres)** | **Expected sq ft of construction (in millions)** | **Start date of construction** | **Target completion date** | **Actual construction costs as at December 31, 2024** | **Expected total construction cost[1]** | **Cost of land** | **Total Expected Cost** |
| **As at December 31, 2024** | | | | | | | | |
| ***Development Properties*** | | | | | | | | |
| 12 Wright St., Brantford, ON | 33.9 | 0.7 | Q2 2023 | TBD | 4.6 | 5.9 | 26.1 | 32.0 |
| Houston, TX (Phase III) | 101.5 | 1.3 | Q3 2023 | TBD | 1.1 | 6.6 | 17.7 | 24.3 |
| | **135.4** | **2.0** | | | **$5.7** | **$12.5** | **$43.8** | **$56.3** |

(1) Construction cost excludes cost of land.

### Development, Expansion and Improvement Projects

Capital expenditures can include development or expansion expenditures as well as maintenance or improvement capital expenditures. Development or expansion capital expenditures are discretionary in nature (until such time as Granite has committed to a

construction contract or lease) and are incurred to generate new revenue streams and/or increase the productivity of a property as well as drive net asset value creation. As at December 31, 2024, Granite had two active development projects in Canada and the U.S., expected to cost approximately $13 million (excluding the cost of land) and deliver approximately 2.0 million square feet of incremental GLA. Maintenance or improvement capital expenditures relate to sustaining the existing earnings capacity of a property. During 2024, there were $15.4 million in maintenance or improvement capital expenditures made by Granite related to minor improvement projects at various properties.

For most development or construction projects, Granite uses its in-house experience or where appropriate, partners with local developers through development management agreements or joint venture arrangements to construct and manage specific elements of a project to maximize returns and minimize construction costs. On the remainder of its projects, Granite outsources design and construction. Depending on the nature and location of the project, Granite either manages construction with regular on-site supervision by its employees, or remotely through cost, scope of work and other management control systems. Granite does not have long-term contractual commitments with its contractors, subcontractors, consultants or suppliers of materials, who are generally selected on a competitive bid basis.

**Foreign Exchange**

As at December 31, 2024, approximately 83% of Granite's revenue was denominated in foreign currencies. As Granite reports its financial results in Canadian dollars and does not currently hedge all of its non-Canadian dollar net operating income, foreign currency fluctuations can have a material impact on Granite's financial results. See "Risk Factors – Risks Relating to Granite's Business – Foreign Currency".

**Leasing Arrangements**

***Leases***

Granite's leases generally provide that the tenant is responsible for all costs of occupancy, including operating costs, property taxes, the costs of maintaining insurance in respect of the property, maintenance costs and non-structural replacement costs. The tenant is not responsible for income taxes or capital taxes charged to Granite.

Granite's leases generally provide that Granite is responsible, at its own expense, for structural repairs and replacements relating to the structural, non-process related elements of its properties. For certain components of a property, such as the roof membrane, paved areas and non-process related HVAC systems, the majority of Granite's leases provide that Granite pays for the costs of replacement as necessary and, in some of those cases, recovers such costs, plus interest, from the tenant over the expected useful life of the item replaced, as additional rent during the term of the lease.

***Contractual Rental Escalations***

A majority of Granite's existing leases provide for periodic rent escalations based either on fixed- rate step increases or on the basis of a consumer price index adjustment.

***Renewal Options***

A majority of Granite's existing leases include built-in renewal options, generally tied to either market rental rates or to the existing rent plus an increase based upon a consumer price index

adjustment. In cases where the renewal is linked to market rates, the determination of market rent is, failing agreement, generally subject to arbitration.

### *Surrender Obligations*

Granite's leases generally provide that the tenant is obligated to surrender the premises to a condition consistent with the condition on the commencement date of the lease, subject to reasonable wear and tear.

The majority of Granite's leases provide that, if requested by the landlord, the tenant is obligated to remove any alterations to the premises carried out over the term of the lease.

### *Environmental Obligations*

Granite's leases also generally provide that the tenant must maintain the properties in accordance with applicable laws, including environmental laws, and that the tenant must remove all hazardous and toxic substances from the premises when and as required by applicable laws, regulations and ordinances and, in any event, prior to the termination of its occupation of the premises. Substantially all of Granite's leases also require the tenant to assume the costs of environmental compliance, including remediation or clean-up of any contamination that they have caused or contributed to on the leased premises. The leases generally also contain indemnities in Granite's favour with respect to environmental matters. In certain circumstances, these indemnities expire after a specified number of years following the termination of the lease. Despite the tenants' obligation to indemnify Granite, Granite is also responsible under applicable law for ensuring that its properties are in compliance with environmental laws. See ''Risk Factors — Risks Relating to Granite's Business — Environmental Matters''.

The leases generally provide that Granite may conduct environmental assessments and audits from time to time at its sole expense. See ''— Government Regulation''.

### *Restrictions on Sales and Tenant First Rights*

Most of Granite's leases with Magna include a right of refusal in favour of the tenant with respect to the sale of the property in question. This right typically provides the tenant with a right to match any third party offer within a prescribed period of time, failing which Granite is free to accept the offer and complete the sale to the third party. Some of Granite's leases with Magna provide that so long as the tenant is controlled, directly or indirectly, by Magna, Granite may not sell the property to a competitor of the tenant without the tenant's consent. In addition, several of Granite's non-Magna leases contain a first right in favour of the tenant to purchase the related property in the event Granite intends to sell such property.

### *Tenant Assignment and Subletting Rights*

Granite's leases generally include a restriction on assignment or subletting by the tenant without Granite's consent, other than in connection with certain permitted transfers such as an assignment or sublease to an affiliate of the tenant or in connection with the sale of all or substantially all of the tenant's assets. Granite's leases do not generally restrict a change of control of the tenant. In the majority of cases, the original tenant and/or any guarantor is not released from its obligations under the leases upon assignment, sublease or change of control.

**Government Regulation**

Granite is subject to a wide range of laws and regulations imposed by governmental authorities, including zoning, building and similar regulations that affect its real estate holdings and tax laws and regulations in the various jurisdictions in which Granite operates.

**Employees**

As at December 31, 2024, Granite employed 70 people, the majority of whom are based at its headquarters in Toronto, and the balance of whom are located in Austria, Netherlands and the United States. Granite is not party to any collective bargaining agreements with any of its employees.

**Magna, Granite's Largest Tenant**

As at December 31, 2024, Magna was the tenant at 27 of Granite's income-producing properties and comprised 26% of Granite's annualized revenue and 19% of Granite's gross leasable area. According to its public disclosures, Magna International Inc. has a credit rating of A3 with a stable outlook by Moody's, A (low) credit rating with a stable outlook by Morningstar DBRS and A- credit rating with a stable outlook by Standard & Poor's. 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.

For information on the conditions affecting the automotive industry and Magna's results of operations, Granite encourages investors to consult Magna's public disclosure, including its most recent Management's Discussion and Analysis of Results of Operations and Financial Position and its annual information form. None of those documents or their contents, however, shall be deemed to be incorporated by reference into this Annual Information Form. 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.

Granite's relationship with Magna is an arm's length landlord and tenant relationship governed by the terms of Granite's leases with Magna. 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.

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

Transparency is a critical component of Granite's sustainability commitment. In June 2020, Granite published an ESG overview which provided investors with a progress report against the principles outlined in its Sustainability Plan. In August 2024, Granite issued its fourth corporate responsibility report, Granite ESG+R Report 2023, which established over 15 different targets for Granite to pursue over the short, medium, and long term, including targets relating to: (i) reductions in landlord-controlled operational energy, water usage and greenhouse gas emissions, (ii) establishing on-site renewable energy installations on Granite's properties, (iii) increasing the proportion of Granite's portfolio that has obtained third-party green building certifications, and (iv) increasing energy, water, and waste data coverage among Granite's tenants.

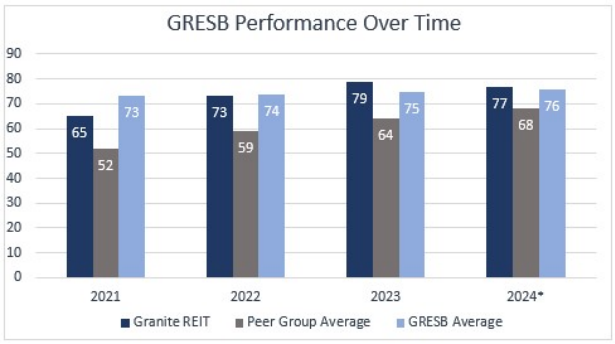
Granite recognizes the important role building owners can play in fostering the efficient use of resources and respecting our environment. As a good steward for investors, Granite seeks to practically incorporate sustainability in its actions and decision-making process, while generating returns for 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 SASB, GRESB, GRI and TCFD. Data provided herein has been reviewed by a third-party ESG+R consultant and represents a snapshot of current performance.

## 2024 GRESB




GRESB 2024

*2024 GRESB scoring methodology realized significant changes versus prior year.







GRESB assesses and scores the Environmental, Social, and Governance performance of real estate portfolios around the world and in 2024, increased to over 2,200 participants. In 2024, Granite's score decreased by 2 points compared to the prior year as a result of significant changes to the GRESB scoring methodology, but still maintained a 1st place ranking in its peer group and a 3-star rating.

## 2024 GRESB Public Disclosure Report










In GRESB's 2024 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 properties[1];
- 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 2025[2]. Solar PV systems with peak generation capacity of 49.35 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 have been 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;
- Granite sent all tenants an annual ESG+R metrics survey for the fiscal year 2023 in the first quarter of 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 include LED lighting installed at 9 properties, EV charging stations added to 6 properties and automatic water meter reading systems installed at 21 properties, promoting energy and water savings across Granite's portfolio; 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, 54% by floor area, or 42% by income-producing property count has been certified.

Below is a list of Granite's properties that have achieved a green certification.

| roperty | Size (Sq ft) in millions | Location | Certification Type | Level |
|---|---|---|---|---|
| Expansion to 555 Beck Crescent | 0A | jax, ON | Green Globes New Construction | 2 Green Globes |
| 2020 Logistics Dr. | 0M | ississauga, ON | IREM Certified Sustainable Property | Certified |
| Expansion to 2095 Logistics Dr. | 0M | lississauga, ON | Green Globes New Construction | 2 Green Globes |
| 600 Tesma Way | 0C | oncord, ON | IREM Certified Sustainable Property | Certified |

[1] 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.

[2] Onsite solar projects were installed at a total of 16 Granite assets as at December 31, 2024.

| roperty | Size (Sq ft) in millions | Location | Certification Type | Level |
|---|---|---|---|---|
| 8995 Airport Rd. | 0.3 | Brampton, ON | IREM Certified Sustainable Property | Certified |
| 4 Bowery Rd. | 0.4 | Brantford, ON | Green Globes New Construction | 2 Green Globes |
| Im Ghai 36 | 0.4 | Altbach, Germany | DGNB New Construction Logistics Buildings | Gold |
| Aquamarijnweg 2 & 4 | 0.4 | Vleiswijk, Netherlands | BREEAM New Construction | Very Good |
| 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 | 0.1 | Weert, Netherlands | BREEAM New Construction | Excellent |
| Swaardvenstraat 75 | 0.5 | Tilburg, Netherlands | BREEAM New Construction | Excellent |
| 8500 Tatum Rd. | — | 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 |
| 1243 Gregory Dr. | 0.4 | Antioch, IL | LEED Core and Shell Development | Silver |
| 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 | 0.3 | 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. | 0.4 | Avon, IN | Green Globes New Construction | 2 Green Globes |
| 10207 Veterans Dr. | 0.4 | 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. | 0.3 | Olive Branch, MS | LEED Core and Shell Development | Certified |
| 8740 South Crossroads Dr. | 0.3 | Olive Branch, MS | LEED Core and Shell Development | Certified |
| 330 East Stateline Rd. | 0.5 | Southaven, MS | IREM Certified Sustainable Property | Certified |

| roperty | Size (Sq ft) in millions | Location | Certification Type | Level |
|---|---|---|---|---|
| 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; BREEAM USA in Use | Certified; Good |
| 100 Enterprise Pkwy. | 1.2 | West Jefferson, OH | BREEAM USA In Use | Good |
| 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 |
| 1901 Beggrow St. | 0.6 | Columbus, OH | IREM Certified Sustainable Property | Certified |
| 5415 Centerpoint Pkwy. | 0.6 | Columbus, OH | IREM Certified Sustainable Property | Certified |
| 8741 Jacquemin Dr. | 0.6 | West Chester, OH | IREM Certified Sustainable Property | Certified |
| 18201 NE Portal Way | 0.5 | Portland, OR | IREM Certified Sustainable Property | Certified |
| 12 Tradeport Rd. | 1.4 | Hanover Township, PA | BREEAM USA in Use | Good |
| 41 Martha Dr. | 0.3 | 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 | 0.9 | 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 | BREEAM USA In Use | Good |
| 3501 North Lancaster Hutchins Rd. | 0.2 | Lancaster, TX | LEED New Construction and Major Renovation | Silver |
| 5000 Village Creek Rd. | 0.5 | 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 |

| roperty | Size (Sq ft) in millions | Location | Certification Type | Level |
|---|---|---|---|---|
| **Total** | **34.2** | | | |
| **% of GLA** | **54%** | | | |

**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;
- As part of Granite's due diligence process, it assesses 100% of potential acquisitions for ESG+R and identifies areas for improvement;
- Granite operates under a hybrid working model, providing enhanced work from home flexibility during the work week;
- In September and October 2024, Granite held regional staff retreats in Amsterdam, Toronto and Dallas where internal staff and third-party consultants presented updates on recent market trends, company performance, and current projects to all employees. In addition, staff volunteered through local charitable organizations and had the opportunity to participate in various team-bonding events; and
- Granite's global staff logged 1,385 hours for training and education in 2024, supporting the personal and professional development of its employees.

**Governance** ***– Actions & Performance***

- Granite's 2023 ESG+R Report was issued on August 7, 2024 and 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;
- Granite submitted to GRESB in June 2024 and received a 1st place ranking in its peer group;
- With a score of 90 out of 100, Granite ranked 36th and the second top real estate entity in the 2024 Globe & Mail Board Games governance ranking, out of a total 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;
- Granite regularly evaluates its properties for physical and transition climate-change risks based on thresholds for higher risk perils as a percent of total portfolio value, and establishes strategies to mitigate risks; and
- Granite uses the 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.

**Environmental Matters**

In April 2020, Granite completed and issued its Green Bond Framework, which complies with the Green Bond Principles developed by the ICMA as of June 2018. The Green Bond Framework has been and will be used by Granite and its subsidiaries for the issuance of green bonds and/or other green financial instruments. Granite also obtained an independent second party opinion from Sustainalytics on its Green Bond Framework indicating alignment with the Green Bond Principles. On June 4, 2020, Granite issued its inaugural green bond, the 2027 Debentures, and on August 30, 2021, Granite issued its second green bond, the 2028 Debentures. On October 12, 2023, Granite issued its third green bond, the April 2029 Debentures, increasing Granite's total green bond issuances to a total of $1.4 billion. As at December 31, 2024, Granite has allocated 100% of the net proceeds from the 2027 Debentures, 100% of the 2028 Debentures and 48.1% of the April 2029 Debentures to Eligible Green Projects as defined in the Green Bond Framework. Details of the use of proceeds towards Eligible Green Projects can be found in Granite's Green Bond Use of Proceeds Report for the period ending December 31, 2024, which can be found on Granite's website at: https://www.granitereit.com/sustainability.

Sustainability has been an important part of Granite's investment strategy, as its investment activity has been defined by adding sustainable properties to its portfolio. By focusing on quality and modern physical characteristics in the properties Granite acquires, it believes that it can help to minimize the impact on the environment. In 2024, Granite obtained green certifications associated with two new developments and one expansion project. In July 2024, Granite completed its fifth annual submission into the GRESB Real Estate Assessment. Granite obtained a score of 77 out of 100 in the GRESB Real Estate Assessment (a 2-point decrease from 2023 as a result of significant changes to the GRESB scoring methodology), and a peer group ranking of first out of seven in the Northern American Industrial Listed GRESB peer group. Granite's public disclosure received a "A" rating from GRESB and ranked first out of 10 (an improvement from second out of ten in the prior year) in the Northern America Industrial peer group. Granite continues to use Re Tech Advisors, a consulting firm focused on sustainability matters in the real estate sector, to assist with the continued improvement and implementation of its ESG+R program.

## INVESTMENT GUIDELINES AND OPERATING POLICIES OF GRANITE

### REIT Investment Guidelines

The Declaration of Trust provides certain guidelines on investments which may be made directly or indirectly by Granite REIT. The assets of Granite REIT may be invested only in accordance with such guidelines including, among others, those summarized below:

(a) activities will focus primarily on acquiring, holding, developing, maintaining, improving, leasing, managing, repositioning, disposing or otherwise dealing with revenue producing real property;

(b) Granite REIT shall not make or hold any investment, take any action or omit to take any action that would result in:

(i) Granite REIT not qualifying as a ''mutual fund trust'' or ''unit trust'', both within the meaning of the Tax Act;

(ii) Units not qualifying as qualified investments for investment by trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit-sharing plans, registered disability savings plans or tax-free savings accounts;

(iii) Granite REIT not qualifying as a ''real estate investment trust'', as defined in subsection 122.1(1) of the Tax Act if, as a consequence of Granite REIT not so qualifying, Granite REIT would be subject to tax on ''taxable Specified Investment Flow-Through (''SIFT'') trust distributions'' pursuant to section 122 of the Tax Act; or

(iv) Granite REIT being liable to pay a tax imposed under Part XII.2 of the Tax Act;

(c) best efforts will be used to ensure that Granite REIT will not be a ''publicly traded partnership'' taxable as a corporation under Section 7704 of the Internal Revenue Code of 1986;

(d) factors to be considered in making investments shall include the political environment and governmental and economic stability in the relevant jurisdiction(s), the long-term growth prospects of the assets and the economy in the relevant jurisdiction(s), the currency in the relevant jurisdiction(s) and the income-producing stability of the assets;

(e) Granite REIT may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustees may from time to time determine, including without limitation by way of joint ventures, partnerships and limited liability companies;

(f) Granite REIT may only invest in operating businesses indirectly through one or more trusts, partnerships, corporations or other legal entities; and

(g) Granite REIT shall not invest in raw land for development, except for (i) existing properties with additional development, (ii) the purpose of renovating or expanding existing properties, or (iii) the development of new properties, provided that the aggregate cost of the investments of Granite REIT in raw land, after giving effect to the proposed investment, will not exceed 15% of Gross Book Value (as defined in the Declaration of Trust).

**Operating Policies**

The Declaration of Trust provides that the operations and activities of Granite REIT shall be conducted in accordance with the policies summarized below:

(i) Granite REIT shall not trade in currency or interest rate futures contracts other than trades for hedging purposes that comply with National Instrument 81-102 — *Mutual Funds*, as amended from time to time, or any successor instrument or rule;

(ii) (i) any written instrument under which Granite REIT grants a mortgage, and (ii) to the extent practicable, written instruments which create a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or a carrier, or officers, employees or agents of Granite REIT, but that only property of Granite REIT or a specific portion shall be bound; Granite REIT, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by Granite REIT upon the acquisition of real property;

(iii) Granite REIT shall not incur or assume any Indebtedness (as defined in the Declaration of Trust) if, after giving effect to the incurring or assumption of the Indebtedness, the total Indebtedness of Granite REIT would be more than 65% of Gross Book Value (as defined in the Declaration of Trust);

(iv) Granite REIT shall not guarantee any liabilities of any person unless such guarantee: (i) is given in connection with an otherwise permitted investment; (ii) has been approved by the Trustees; and (iii) (A) would not disqualify Granite REIT as a ‘‘mutual fund trust’’ within the meaning of the Tax Act, and (B) would not result in Granite REIT losing any other status under the Tax Act that is otherwise beneficial to Granite REIT and Unitholders;

(v) except for real property held by a person partially owned by Granite REIT, title to each real property shall be held by and registered in the name of Granite REIT, the Trustees or in the name of a corporation or other entity wholly-owned, directly or indirectly, by Granite REIT or jointly, directly or indirectly, by Granite REIT with joint venturers or in such other manner which, in the opinion of management, is commercially reasonable;

(vi) Granite REIT shall conduct such diligence as is commercially reasonable in the circumstances on each real property that it intends to acquire and obtain a report with respect to the physical condition thereof from an independent and experienced consultant;

(vii) Granite REIT shall either (a) have conducted an environmental site assessment or (b) be entitled to rely on an existing environmental site assessment, in respect of each real property that it intends to acquire, and if the environmental site assessment report recommends that further environmental site assessments be conducted Granite REIT shall have conducted such further environmental site assessments, in each case, by an independent and experienced environmental consultant; and

(viii) Granite REIT shall obtain and maintain, or cause to be obtained and maintained, at all times, insurance coverage in respect of its potential liabilities and the accidental loss of value of its assets from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties.

### Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of Granite REIT's investment guidelines and the operating policies of Granite REIT set out in paragraphs (a), (c), (d), (f) and (g) under the heading "Investment Guidelines and Operating Policies of Granite — Operating Policies'' may be amended only with the approval of two-thirds of the votes cast at a meeting of Unitholders. The remaining operating policies set out under the heading "Investment Guidelines and Operating Policies of Granite — Operating Policies'' may be amended with the approval of a majority of the votes cast at a meeting of Unitholders.

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over Granite REIT or any property of Granite REIT shall enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of Granite REIT then in force, such guideline or policy in conflict shall, if the Trustees on the advice of legal counsel to Granite REIT so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary in the Declaration of Trust, any such resolution of the Trustees shall not require the prior approval of Unitholders.

## RISK FACTORS

Investing in securities of Granite involves a high degree of risk. In addition to the other information contained in this Annual Information Form, investors should carefully consider the following risk factors before investing in securities of Granite. The occurrence of any of the following risks could have a material adverse effect on Granite's business, financial condition, results of operations and cash flows. Other risks and uncertainties that are not known to Granite or that Granite believes are not material may also have a material adverse effect on Granite's business, financial condition, results of operations and cash flows.

### Risks Relating to Granite's Business

#### *Tenant Concentration*

Although one element of Granite's strategy is to diversify and reduce its exposure to Magna by increasing the proportion of lease revenue that it derives from other tenants, as at December 31, 2024, 27 of Granite's 137 income-producing properties were leased to Magna. As at December 31, 2024, payments under those leases represented approximately 26% of Granite's annualized revenue and approximately 19% based on gross leasable area.

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. As a result, Granite may not have the contractual right to proceed directly against Magna International Inc. in the event that one of these subsidiaries defaults on its lease. Granite could be materially adversely affected if any Magna subsidiaries become unable to meet their respective financial obligations under their leases, and if Magna International Inc. is unwilling or unable to provide funds to such subsidiaries for the purpose of enabling them to meet such obligations.

Granite encourages investors to consult Magna's public disclosure for information on factors affecting the business of Magna, including the factors described in the section on industry trends and risks in Magna's most recent Management's Discussion and Analysis of Results of Operations and Financial Position.

### *Automotive Industry*

Although Granite intends to continue to increase the proportion of lease revenue it derives from tenants other than Magna, Granite's business is subject to conditions affecting the automotive industry generally due to its exposure to Magna as its largest tenant.

The global automotive industry is cyclical. A worsening of economic, political, or other conditions of the global economy may result in lower consumer confidence, which typically translates into lower vehicle sales and production levels. Examples of factors which often reduce consumer confidence include: worsening economic, political, and other conditions; military conflict; increasing inflation (particularly fuel and energy prices); and rising interest rates. Also, Magna's business is primarily dependent on car and light truck production by its customers in North America, Europe and China. A significant or sustained decline in vehicle production volumes in these regions may have an adverse impact on Magna's operations. Further, consumer demand for vehicles faces growing challenges related to vehicle affordability. These challenges stem from various factors, including the higher prices of electric vehicles ("EVs"), costs related to advanced electronic systems, increased vehicle financing costs due to higher interest rates, inflationary cost increases and limited vehicle supply. In addition, the automotive industry is transitioning from vehicles powered by internal combustion engines ("ICE") to EVs. This transition is affecting vehicle production volumes, as the penetration rates of EVs differ regionally. Consumers may also be hesitant to purchase new vehicles during this transition due to factors such as cost considerations and concerns about EV infrastructure. Collectively, these dynamics impact the overall demand for vehicles. Additionally, the automotive industry is highly competitive, with competitors to Magna growing market share more rapidly than Magna in certain product or geographic markets and electronics, semiconductor chip and contract manufacturing companies entering or expanding their presence in the automotive industry. Each of these risks, among others, could have a material adverse effect on Magna, its customers and suppliers and, in turn, on Granite's profitability and financial condition. A decrease in the long-term profitability or viability of the automotive industry would have a material adverse impact on Granite's properties and its operating results.

### *Adverse Global Market, Economic and Political Conditions and Other Events Beyond Granite's Control*

Adverse Canadian, U.S., European and global market and economic conditions, including dislocations and volatility in the credit markets, general global economic uncertainty including potential tariffs and their impact on global trade and supply chains, sustained inflation and higher interest rates, have the potential to impact, among others; (i) the value of Granite's properties; (ii) the availability or the terms of financing that Granite has or may anticipate utilizing; (iii) Granite's ability to make principal and interest payments on, or refinance any outstanding debt when due; and (iv) the ability of Granite's tenants to enter into new leasing transactions or to satisfy rental payments under existing leases.

### *Credit Risk*

Granite may incur losses resulting from a failure of a tenant to meet its payment obligations. Granite's financial condition and operating results would be adversely affected if Magna or a significant number of other tenants became unable to meet their financial obligations to Granite. Furthermore, a rejection or termination of a lease under the protection of bankruptcy, insolvency or similar laws, could cause a temporary reduction of Granite's cash flow.

### *Geographic Exposure*

During 2024, 55% of Granite's revenue was generated in the United States, 17% in Canada, and 28% in Europe, comprised of 13% in Austria, 7% in Germany and 8% in Netherlands. Operating in different regions and countries exposes Granite to political, economic and other risks as well as multiple foreign regulatory requirements that are subject to change, including:

- consequences from changes in tax laws and treaties, including restrictions on the repatriation of funds;
- downturns in countries or geographic regions where Granite has significant operations;
- economic tensions between governments and changes in international trade and investment policies, including potential tariffs;
- regulations restricting Granite's ability to do business in certain countries;
- local regulatory compliance requirements; and
- political and economic instability, natural calamities, war, and terrorism.

The effects of these risks may, individually or in the aggregate, materially adversely affect Granite's business, financial condition, results of operations and cash flows.

### *Foreign Currency*

A majority of Granite's revenue is not denominated in Canadian dollars. Since Granite reports its financial results in Canadian dollars and does not currently hedge all of its non-Canadian dollar rental revenues, Granite is subject to foreign currency fluctuations that could, from time to time, have a material adverse impact on Granite's business, financial condition, results of operations and cash flows.

From time to time, Granite may attempt to hedge its exposure to the impact that changes in foreign currency rates or interest rates may have on Granite's revenue and liabilities through the use of derivative financial instruments. The use of derivative financial instruments, including forwards, futures, swaps, collars and options, in Granite's risk management strategy carries certain risks, including the risk that losses on a hedge position will reduce income. A hedge may not be effective in eliminating all the risks inherent in any particular position. Additionally, the majority of Granite's outstanding debt is denominated in foreign currencies, and Granite, at times, uses derivatives to more naturally hedge its non-Canadian cash inflows. Granite's profitability may also be adversely affected during any period as a result of the use of derivatives.

### *Environmental Matters*

Some of Granite's tenants engage in industrial operations using hazardous materials. Under various federal, state, provincial and local environmental laws, ordinances and regulations, a current or previous owner, an occupier or previous occupier, and their directors and officers, may be liable for costs to remove and remediate contaminants at an affected property, as well as at off-site affected properties. Such laws often impose liability whether or not the owner or occupier knew of, or was responsible for, the presence of the contaminants. In addition, the presence of contaminants and hazardous building materials (such as asbestos) or the requirement to remediate, may materially impair the value of Granite's properties and adversely affect its ability to borrow by using affected properties as collateral. Certain environmental laws and common law principles can impose liability for contamination, and third parties may seek to recover from owners and prior owners and their directors and officers for damages. As an owner and prior owner of properties, Granite and its directors and officers are subject to these potential liabilities.

Capital and operating expenditures necessary to comply with environmental laws and regulations, to defend against claims and to remediate contaminated property may have a material adverse effect on Granite's operating results and its financial condition. To date, environmental laws and regulations have not had a material effect on Granite's operations or its financial condition. However, Granite is subject to ever more stringent environmental standards as a result of enhanced environmental regulation and increased environmental enforcement and compliance with which may have a material adverse effect on Granite's business, financial condition, results of operations and cash flows. Granite cannot predict the future costs that it may be required to incur to meet its environmental obligations.

On occasion, tenants' operations and Granite's properties may become the subject of complaints from adjacent landowners, or inquiries or investigations by environmental regulators. Almost all of the instances of such complaints, inquiries or investigations by environmental regulators have been addressed by Granite's tenants pursuant to the terms of the relevant leases. In the past, Granite has engaged consultants and incurred immaterial costs with respect to environmental matters arising from adjacent or nearby properties in order to protect the condition and marketability of its properties.

Moreover, environmental laws may impose restrictions on the manner in which a property may be used or to which a property is subject on transfer. These environmental restrictions may limit development or expansion of a property in Granite's portfolio and may affect its value.

### *Failure to Obtain Future Financing*

Granite's access to third-party financing will be subject to a number of factors, including general market conditions; global economic volatility; Granite's credit rating; the market's perception of Granite's stability and growth potential; Granite's current and future cash flows and earnings; and Granite's ability to renew certain long-term leases. There is no assurance that capital will be available when needed or on favourable terms. Granite's failure to access required capital on acceptable terms could adversely affect its cash flows, operating results and financial condition, and Granite's ability to make acquisitions, maintain existing assets and make capital investments. Granite may have restricted access to capital and increased borrowing costs which could adversely affect possible future debt or equity security issuances (see also ‘‘— Increased Financial Leverage’’).

### *Financing Risk*

Granite is exposed to financing risk on maturing debentures and bank indebtedness, as well as interest rate risk on borrowings. If its indebtedness is replaced by new debt that has less favourable terms or Granite is unable to secure adequate funding, distributions to Unitholders may be adversely impacted (see also ‘‘— Failure to Obtain Future Financing’’).

A portion of the cash flow generated by Granite's property portfolio is used to meet its obligations under its outstanding debt and there can be no assurance that Granite will continue to generate sufficient cash flow from operations to meet interest payment obligations or principal repayment obligations upon the applicable maturity dates. If Granite is unable to meet interest or principal payment obligations, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing, and failure to do so could materially adversely affect Granite's financial condition and results of operations and adversely impact cash distributions on the Units. Furthermore, if a property is mortgaged to secure the payment of indebtedness and Granite is unable to meet mortgage payments, the mortgagee could foreclose upon the property, appoint a receiver and receive an assignment of rents and leases or pursue other remedies, all of which could result in lost revenues and asset value.

The documents governing the Debentures, the Credit Facility, and the Term Loans contain various financial covenants which are measured on the basis of the consolidated combined financial statements of Granite REIT. Failure to comply with obligations under the documents governing such indebtedness could result in a default and could materially adversely affect Granite's financial condition and results of operations and adversely impact cash distributions on the Units.

Granite is also exposed to interest rate risk, and, to the extent that Granite incurs variable rate indebtedness, its cost of borrowing will fluctuate as interest rates change. Accordingly, if interest rates rise significantly, Granite's operating results, financial condition and cash flow could be adversely affected and the amount of cash available for distribution on the Units could be decreased.

### *Lease Renewals and Occupancy*

Granite's tenants may not renew expiring leases on terms favourable to Granite, or at all. Where a lease has expired, Granite may not be able to find a new tenant for the property on terms as favourable as the expired lease, or at all, particularly in respect of properties that are considered to be special purpose in nature and were designed and built with unique features or are located in secondary markets.

Market rates may be lower at the time renewal options are exercised, and accordingly, leases may be renewed at lower levels of rent than are currently in place. Granite may incur significant costs in making property modifications, improvements or repairs required by a new tenant. The failure to maintain a significant number of Granite's income-producing properties under lease would have a material adverse effect on Granite's financial condition and operating results. As at December 31, 2024, Granite's occupancy rate was 94.9%.

### *Competition*

In each of the real estate markets in which Granite operates, it competes for suitable real estate investments with many other parties, including real estate investment trusts, pension funds, insurance companies, private investors and other investors (both Canadian and foreign), which are currently seeking, or which may seek in the future, real estate investments similar to those desired by Granite. Some of Granite's competitors may have greater financial resources, or lower required return thresholds than Granite does, or operate with different investment guidelines and operating policies. Accordingly, Granite may not be able to compete successfully for these investments.

If competing properties of a similar type are built in the area where one of Granite's properties is located, or similar properties located in the vicinity of one of Granite's properties are substantially refurbished, the net operating income derived from, and the value of, such property could be reduced as a result of Granite's potential inability to lease space or to charge rent at same or better rates.

### *Cyber Security*

Granite relies on its information technology systems for its financial reporting and day-to-day operations. Information technology systems are also an integral part of the Granite's internal controls over financial reporting framework. Granite employs systems, including systems of third- party vendors, and websites that allow for the storage and transmission of proprietary or confidential information regarding its business, tenants and employees.

Security breaches could expose Granite to a risk of loss or misuse of this information, potential liability and reputational damage. Granite may not be able to anticipate or prevent rapidly evolving types of cyber-attacks. Actual or anticipated attacks may cause Granite to incur increased costs, including costs to deploy additional personnel and protection technologies, train employees and engage third party experts and consultants. Advances in computer capabilities, new technological discoveries, including generative artificial intelligence (GenAI), or other developments may result in the breach or compromise of technology used by Granite to protect transactions or other data. Data and security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breach by employees or persons with whom Granite has commercial relationships, which may result in the unauthorized release of personal or confidential information.

If Granite were unable to operate its systems, make enhancements as needed or if there was a cyber- security breach into Granite's network or systems of its third-party vendors, it could have an adverse effect on Granite's ability to manage its operations and meet its obligations including its financial reporting obligations, which in turn could have an adverse impact on Granite's business, results of operations and financial condition.

### *Key Personnel*

The operations of Granite depend on the services of certain key personnel. The loss of the services of any member or members of Granite's management team could have an adverse effect on Granite.

### *General Risks Associated with Real Property Ownership*

Because Granite owns, leases and develops real property in multiple jurisdictions, it is subject to risks that may vary by jurisdiction. The investment returns available from investments in real estate depend in large part on the amount of income earned by the properties, capital appreciation generated by the properties, as well as the expenses incurred. Granite may experience delays and incur substantial costs in enforcing its rights as lessor under defaulted leases.

In addition, a variety of other factors outside of Granite's control affect income from properties and real estate values, including governmental regulations, zoning regulations, and condemnation/eminent domain laws, and can make it more expensive or time-consuming to expand, modify or renovate existing structures. The value of Granite's properties is also dependent on the credit and financial stability of Granite's tenants, and the bankruptcy or insolvency of any of Granite's tenants could adversely affect Granite's financial position. Operating costs for a property, including maintenance costs, property taxes and insurance, remain payable regardless of whether the property is producing income.

When interest rates increase, the cost of acquiring, developing, expanding or renovating real property increases and real property values may decrease as the number of potential buyers decreases. In addition, real estate investments are often difficult to sell quickly. Similarly, if financing becomes less available, it becomes more difficult both to acquire and to sell real property. Moreover, governments can, under eminent domain laws, confiscate real property. Sometimes this confiscation is for less compensation than the owner believes the property is worth.

A deterioration of economic and political conditions, including through rising interest rates or inflation, high unemployment rates, increasing energy prices, declining real estate values, increased volatility in global capital markets, international conflicts, sovereign debt concerns,

an increase in protectionist measures and/or other factors, could adversely affect the value of Granite's property portfolio, business, financial condition, results of operations and financial condition.

### *Development Risk*

Granite currently develops properties and intends to develop properties in the future as suitable opportunities arise. Real estate development includes risks associated with:

- construction delays or cost overruns that may increase project costs;
- failure to receive zoning, occupancy and other required governmental permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- natural disasters, such as earthquakes, floods or fires, that could adversely impact a project; and
- governmental restrictions on the nature, use or size of a project.

Granite's development projects may not be completed on time or within budget, and in cases of speculative development there may be difficulty in securing tenants for the development or leasing may not be executed in a timely manner or at expected lease rates, which could all adversely affect Granite's operating results.

### *Liquidity of Real Estate Investments*

Real estate investments, particularly those that are special purpose in nature, tend to be relatively illiquid. This may limit Granite's ability to adjust or adapt its portfolio promptly in response to changing economic or investment conditions. If the liquidation of assets is required, there is a significant risk that Granite would realize sale proceeds of less than the current fair value of its real estate investments.

Additionally, many of Granite's significant leases provide the tenant with rights of first refusal, which may adversely affect the marketability and market value of its income-producing property portfolio. These rights of first refusal may deter third parties from incurring the time and expense that would be necessary for them to bid on Granite's properties in the event that Granite desires to sell those properties. See ''Business Overview — Leasing Arrangements — Restrictions on Sales and Tenant Rights of Refusal''.

### *Inability to Execute Growth Strategy*

Granite's ability to achieve its strategic objectives is subject to known and unknown risks, uncertainties and other unpredictable factors which, in addition to those discussed herein, include: adverse changes to foreign or domestic laws; changes in economic, market and competitive conditions; and other risks that may adversely affect Granite's ability to grow and diversify its asset base through acquisitions, development, re-development and dispositions; to optimize its balance sheet; to reduce its exposure to Magna and the special purpose properties over the long term; and to continue to execute its strategy of acquiring and developing an institutional quality portfolio in key e-commerce and distribution markets.

### *Acquisitions*

Granite expects to continue to acquire new properties and dispose of properties in accordance with its growth and diversification strategy, and Granite may also acquire going-concern businesses. It is Granite's operating policy to conduct such diligence as is commercially reasonable in the circumstances on each business or real property that it intends to acquire,

including, where appropriate, obtaining reports with respect to the physical condition of real properties, environmental assessments and appraisals, all from independent and experienced consultants.

Acquisitions of properties are subject to commercial risks and satisfaction of closing conditions that may include, among other things, receipt of estoppel certificates and obtaining title insurance. Such acquisitions may not be completed or, if completed, may not be on terms that are as favourable as initially negotiated. In the event that Granite does not complete an announced acquisition, it may have an adverse effect on Granite's operating results.

Integrating acquired properties and businesses also involves a number of risks that could materially and adversely affect Granite's business, including:

- failure of the acquired properties or businesses to achieve expected investment results;
- risks relating to the integration of the acquired properties or businesses and the retention and integration of key personnel relating to the acquired properties or businesses; and
- the risk that major tenants or clients of the acquired properties or businesses may not be retained following the expiry of their leases.

Furthermore, the properties and businesses acquired may have undisclosed liabilities for which Granite may not be entitled to any recourse against the vendor, and any contractual, legal, insurance or other remedies may be insufficient. The discovery of any material liabilities subsequent to the closing of the acquisition for any property or business could have a material adverse effect on Granite's cash flows, financial condition and results of operations.

There can be no assurance that Granite will be able to find attractive opportunities toward which to deploy capital or the proceeds of dispositions, or that Granite will be able to replace the revenue from disposed properties with revenue from newly acquired properties on satisfactory terms or to acquire assets on an accretive basis.

### *Capital Expenditures*

In order to retain marketable rentable space and to generate sustainable revenue over the long term, Granite must maintain or, in some cases, improve each property's condition to meet market demand. In addition, maintaining a rental property in accordance with Granite's leases and market standards can entail costs, including, without limitation, new roofs, paved areas or structural repairs, which Granite may not be able to recover from its tenants.

Numerous factors, including the age of the building, the materials used at the time of construction, currently unknown regulatory violations or new regulatory requirements, could result in substantial unbudgeted costs. If the actual costs of maintaining or upgrading a property exceed Granite's estimates, or if hidden defects are discovered, which are not covered by insurance or contractual warranties, or if Granite is not permitted to recover such costs pursuant to its leases or due to legal constraints, it will incur additional and unexpected costs.

These maintenance, repair and capital costs could have a material adverse effect on Granite's business, financial condition, results of operations and cash flows.

### *Land Leases*

To the extent that the properties in which Granite has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets which may fluctuate and

may result in significant rental rate adjustments which could adversely impact Granite's financial condition and operating results and decrease the amount of cash available for distribution. Granite may also be unable to renew land leases upon their expiration, which could adversely impact the value of Granite's investment in the building(s) located on leased land.

### *New Markets*

If the opportunity arises, Granite may explore acquisitions of properties in new markets. Each of the risks applicable to Granite's ability to acquire and successfully integrate and operate properties in its current markets is also applicable to its ability to acquire and successfully integrate and operate properties in new markets. In addition to these risks, Granite may not possess the same level of familiarity with the dynamics and market conditions of any new markets, which could adversely affect its ability to expand into or operate in those markets. Granite may be unable to achieve a desired return on its investments in new markets. If Granite is unsuccessful in expanding into new markets, it could adversely affect its business, financial condition, results of operations and cash flows.

### *Uninsured Losses*

It is Granite's policy to obtain and maintain, or cause to be obtained and maintained, at all times, insurance coverage in respect of its potential liabilities and the accidental loss of value of its assets from risks, in amounts, with selected insurers, and on such terms as it considers appropriate, taking into account all relevant factors including the practices of owners of comparable properties.

Granite does not carry insurance for generally uninsured losses, such as losses from riots, certain environmental hazards, war or certain terrorist attacks.

If Granite experiences a loss which is uninsured or which exceeds its policy coverage limits, Granite could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, it is difficult to evaluate the stability and net assets or capitalization of insurance companies and any insurer's ability to meet its claim payment obligations. A failure of an insurance company to make payments to Granite upon an event of loss covered by an insurance policy could have a material adverse effect on Granite's business, financial condition, results of operations and cash flows.

### *Litigation Risk*

Granite is sometimes the subject of complaints or litigation from tenants, employees or other third parties for various actions. The damages sought against Granite in these litigation claims can be substantial. If one or more valid and substantiated claims were to greatly exceed Granite's liability insurance coverage limits or if Granite's insurance policies do not cover such a claim, this could have a material adverse effect on Granite's business, financial condition, results of operations and cash flows.

### *Regulatory Risk*

Granite is subject to numerous federal, provincial, state and local laws and governmental regulations including those relating to environmental protections, product quality standards, and building and zoning requirements, as well as securities laws in Canada and the U.S. If Granite fails to comply with existing or future laws or regulations, it may be subject to governmental or judicial fines or sanctions, while incurring substantial legal fees and costs. In addition, Granite's capital expenses could increase due to compliance or remediation

measures that may be required if it is found to be noncompliant with any existing or future laws or regulations.

### *Financial Reporting*

Granite maintains information systems, procedures and controls to ensure all financial information disclosed externally is as complete, reliable and timely as possible. Such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS Accounting Standards.

Due to the inherent limitations in all control systems, including well-designed and operated systems, no control system can provide complete assurance that the objectives of the control system will be met. Furthermore, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, will be detected or prevented. Inherent limitations in control systems include, without limitation, the risk of isolated errors and the risk that management's assumptions and judgments may ultimately prove to be incorrect under varying conditions.

Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

### *Increased Financial Leverage*

One of Granite's strategic policies is to maintain leverage to a range of 30% to 35% or below. As at December 31, 2024, Granite's net leverage ratio was 32%.

The degree to which Granite is leveraged could have important consequences to holders of Granite securities. These include: (i) a significant portion of Granite's cash flow may be dedicated to the payment of the principal of, and interest on, Granite's indebtedness, thereby reducing the amount of funds available for the payment of cash distributions to Unitholders; (ii) certain of Granite's borrowings may be at variable rates of interest, which exposes Granite to the risk of increased interest rates; (iii) a high level of debt would increase vulnerability to general adverse economic and industry conditions; (iv) the covenants contained in the indebtedness will limit Granite's ability to dispose of assets, encumber assets, pay distributions and make potential investments; (v) a high leverage percentage may place Granite at a competitive disadvantage compared to other owners of similar real estate assets that are less leveraged and therefore Granite may be prevented from taking advantage of opportunities; (vi) a high leverage percentage may make it more likely that a reduction in Granite's borrowing base following a periodic valuation (or redetermination) could require Granite to repay a portion of then- outstanding borrowings; (vii) high leverage may impact Granite's credit rating; and (viii) a high leverage percentage may impair Granite's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general trust or other purposes. Under the Declaration of Trust, Granite REIT (including entities wholly or partially owned by Granite REIT on a proportionate consolidation basis) may not incur or assume any Indebtedness (as defined in the Declaration of Trust) if, after giving effect to the incurring or assumption of the Indebtedness, the total Indebtedness of Granite REIT would be more than 65% of Gross Book Value (as defined in the Declaration of Trust).

### *Climate Change Risk*

Climate change continues to attract the focus of governments and the general public as an important threat, given that the emission of greenhouse gases and other activities continue to negatively impact the planet. Granite faces the risk that its properties or tenants may be subject to government initiatives aimed at countering climate change, such as a mandatory reduction of greenhouse gas emissions, which could impose constraints on Granite's operational flexibility or cause Granite or its tenants to incur financial costs to comply with various reforms. Any failure to adhere and adapt to climate change reform could result in fines or adversely affect Granite's reputation, operations or financial performance.

Furthermore, Granite's properties or tenants may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt Granite's operations and activities, damage its properties and potentially decrease its property values or require Granite to incur additional expenses including an increase in insurance costs to insure its properties against natural disasters and severe weather.

### *Risks Associated with Disease Outbreaks*

Public health crises, pandemics and epidemics, such as those caused by new strains of viruses such as H5N1 (avian flu), severe acute respiratory syndrome (SARS) and, most recently, the COVID-19 pandemic, could result in or continue to result in: a general or acute decline in economic activity in the regions where Granite operates; periodic international, national and local border closures; travel restrictions; significant disruptions to business operations, supply chains and customer activity and demand; temporary or long-term labour shortages; cancellations, reductions and other changes to services; and quarantines; as well as considerable general concern and uncertainty. All of these occurrences may adversely impact Granite's and Granite's tenants' businesses, including the ability of Granite's tenants to meet their payment obligations.

The duration and impact of any disease outbreak on Granite's business operations and financial performance, and the efficacy of any government interventions are difficult to predict. Disruptions caused by a disease outbreak may negatively impact the market price for the Units and may, in the short- or long-term, materially adversely impact Granite's tenants and/or the debt and equity markets, both of which could materially adversely affect Granite's business operations and financial performance, as well as Granite's ability to pay distributions. In addition, efforts to mitigate the impact of an outbreak may result in increased costs and delays with Granite's current and future development projects.

### *Risks Associated with the Russian Invasion of Ukraine*

Granite currently holds investments and operates in Western Europe, specifically in the Netherlands, Germany and Austria. Since the commencement of the Russian invasion of Ukraine in late February 2022 and up to the date of this AIF, the European real estate markets in which Granite operates have remained orderly and during the year ended December 31, 2024, and up to the date of this AIF, there has not been a significant impact on Granite's operations, assets or liabilities as a result of the war.

Although not directly impacted by the ongoing Russian/Ukraine war thus far, Granite and its tenants are exposed to a broad range of current and potential risks including:

- slowdown of global economic growth and more specifically in the European region;
- sustained inflationary pressures, including energy, labour and transportation/logistics;

- elevated interest rates for longer periods than expected;
- energy security in Western Europe; and
- supply chain disruptions.

A material deterioration in any of the foregoing could have a material adverse effect on Granite's tenants and their ability to continue to operate and pay rent, and impact debt and equity markets, either of which could adversely impact Granite's operations and financial performance.

**Risks Relating to Taxation**

***Canada***

*Mutual Fund Trust Status*

Granite REIT may cease to qualify as a mutual fund trust for purposes of the Tax Act. If Granite REIT did not qualify as a mutual fund trust for such purposes continuously throughout a taxation year, it would be subject to adverse tax consequences which likely would result in a significant portion of its income becoming subject to Canadian income tax and materially reduce the level of cash distributions made to Unitholders.

*Real Estate Investment Trust Status*

Granite REIT would be subject to Canadian income tax (under the so-called ''SIFT'' tax rules) on a similar basis to a Canadian public corporation on its income for a year unless it qualified in that year as a real estate investment trust for purposes of the Tax Act (the ''REIT Exception''). If Granite REIT did not qualify under the REIT Exception for one or more of its taxation years, it would have higher cash taxes payable and the level of cash distributions made to Unitholders would be materially reduced. The conditions for satisfying the REIT Exception are onerous, and include various numerical tests (including tests entailing measurement of assets and equity or measurement of various revenue streams) which may be required to be satisfied at any point in time throughout the year in question. Accordingly, there is a risk (including as a result of unanticipated developments or changes in law) that Granite REIT will not qualify under the REIT Exception as a real estate investment trust under the Tax Act for one or more of its taxation years.

*EIFEL Rules*

Granite REIT is subject under the Tax Act to the "excessive interest and financing expenses limitation" rules (the "EIFEL" rules) contained in Bill C-59. In very general terms, the EIFEL rules require an addition to the income of Granite REIT based largely on the extent, if any, to which, for any taxation year after 2023, the interest and financing expenses ("IFE"), as broadly defined, of Granite LP and of its subsidiary limited partnerships, minus their interest and financing revenues ("IFR"), also as broadly defined, exceeds 30% of their "adjusted taxable income" ("ATI") for such taxation years (essentially, EBITDA determined on a Canadian tax basis). Similarly, in very general terms, the EIFEL rules require an addition to the income of the principal (indirect) Canadian corporate subsidiary of Granite REIT (namely. Granite Co.), based largely on the extent, if any, to which, for any such taxation year, the IFE of Granite Co. and of subsidiary limited partnerships, minus their IFR, exceeds 30% of their ATI for such taxation year.

Although Granite REIT does not currently anticipate that such additions under the EIFEL rules would occur having regard only to the anticipated ATI, IFE and IFR of Granite LP and its Canadian subsidiary entities, including Granite Co., these rules (in addition to the elements described above) would also require the ATI, IFE and IFR of various indirect foreign

subsidiaries of Granite LP and Granite Co. to be taken into account for purposes of computing such potential additions to the income of Granite REIT and Granite Co. where in their applicable taxation years such subsidiaries were considered to earn foreign accrual property income for purposes of the Tax Act.

The various indirect non-resident subsidiaries of Granite LP may not have material sources of foreign accrual property income. However, there can be no assurances in this regard given uncertainties as to their potential circumstances in those taxation years and uncertainties, whether in particular potential circumstances, they would be considered to be generating foreign accrual property income. Accordingly, there can be no assurance at this time that no additions to the income of Granite REIT or Granite Co. for purposes of the Tax Act will occur pursuant to the EIFEL rules. Any such additions would have the likely general effect of increasing the amount of income allocated for purposes of the Tax Act to Unitholders in respect of the related taxation year of Granite REIT or reducing the after-tax income of Granite Co., with a resulting potential reduction in the after-tax returns of such Unitholders.

*Tax on Unit Repurchases*

Granite REIT is subject under the Tax Act to tax on certain repurchases of Units. This tax generally is calculated as 2% of the aggregate fair market value of the Units which are redeemed or acquired by it in a taxation year, including pursuant to a normal course issuer bid, minus the fair market value of Units issued by it in that year in specified circumstances including most issuances of Units occurring for cash proceeds, or on conversion of any convertible debentures that Granite REIT had issued for cash proceeds.

### *United States*

*Granite's U.S. Private REITs' Status as a U.S. REIT*

As of January 1, 2013, Granite America, and as of November 18, 2019, Commerce 30 Building C. Inc., (together "U.S. Private REITs") qualified as REITs for United States federal income tax purposes. REITs are subject to numerous requirements, including requirements relating to the character of their income and assets. If either U.S. Private REIT fails to qualify as a REIT for U.S. federal income tax purposes, it would be subject to U.S. federal income tax as a corporation, and distributions to Granite REIT (and ultimately to Unitholders) could be reduced.

Under section 269B of the United States Internal Revenue Code certain entities that are treated as ''stapled entities'' are subject to adverse effects. Granite GP should not be treated as stapled to Granite America under current law. If Granite GP nevertheless were treated as stapled to Granite America for these purposes prior to the 2024 Arrangement, Granite America and Granite GP could have been treated as one entity, which among other consequences, could potentially have resulted in Granite America failing to qualify as a REIT and reduce the amount of available distributions made by Granite America to Granite REIT (and ultimately to Unitholders).

*Granite REIT's Status as a Partnership*

Granite REIT's status as a partnership for U.S. federal income tax purposes requires that 90% or more of Granite REIT's gross income for every taxable year consists of qualifying income (the ''qualifying income exception''), and that Granite REIT not be registered under the Investment Company Act. Granite REIT expects that it will be able to utilize the qualifying income exception in each taxable year, but Granite REIT could cease to be treated as a partnership for U.S. federal income tax purposes should this exception not be met in any given year, resulting

in materially reduced distributions if Granite REIT is subject to U.S. corporate level income tax or increased U.S. withholding tax on dividend distributions from its U.S. subsidiaries.

*Section 1446(f) Withholding*

Section 1446(f) provides that if any portion of the gain on a disposition of an interest in a partnership would be treated as effectively connected with the conduct of a trade or business within the United States, the transferee shall be required to deduct and withhold a tax equal to 10% of the amount realized on the disposition. Under applicable Treasury regulations that became effective January 1, 2023, a transferee of an interest in a publicly traded partnership (a "PTP") (such as the Units) will not be required to withhold under Section 1446(f) if the transfer is effected through one or more brokers. Instead, the withholding obligation will fall upon the applicable broker, as determined under the regulations. Exceptions to broker withholding are available with respect to transfers of interests in PTPs in certain circumstances. A broker will generally be able to rely on a "qualified notice" posted by a PTP indicating that the PTP is not engaged in a trade or business within the United States at any time during its taxable year (the "No US TOB Exception"). Granite REIT has posted such qualified notices throughout the fiscal year ended December 31 2024 and is expected to post such qualified notices monthly going forward as it believes it currently meets the No US TOB Exception, but no assurance can be given that Granite REIT will continue to meet the No US TOB Exception or any other exception to withholding under Section 1446(f), and 10% withholding may be required in connection with the transfer of Units by non-U.S. Unitholders. Non-U.S. Unitholders are urged to consult their brokers and tax advisors about the applicability of withholding under Section 1446(f).

*Risks Related to PFIC Status*

Granite REIT or its subsidiaries may be considered a PFIC for U.S. federal income tax purposes. U.S.-resident Unitholders directly or indirectly owning an interest in a PFIC may experience adverse U.S. tax consequences.

*U.S. Return Filing Obligation if Granite REIT Recognizes FIRPTA Gain*

Granite REIT intends to manage its affairs so that the risk of recognizing a gain under FIRPTA is minimized. However, if Granite REIT recognizes FIRPTA gain, Non-U.S.-resident Unitholders will be subject to U.S. federal income tax and U.S. income tax return filing obligations.

*Potential Uncertainty as to the Availability of Treaty Benefits to Distributions from Granite America*

Treaty-reduced rates of withholding tax on Fixed, Determinable, Annual, Periodical (''FDAP'') payments that are considered to be U.S. sourced, are not available under a treaty if Unitholders are not considered the beneficial owners of the income earned by Granite REIT or are not considered to have derived such income within the meaning of the applicable Treasury Department regulations. Granite believes that Unitholders will be treated as deriving the income earned by Granite REIT and Unitholders will be treated as the beneficial owners of such income. If Unitholders were not considered the beneficial owners of Granite REIT's income, the portion of distributions to Unitholders which would be considered FDAP payments would not be eligible for a reduced rate of withholding tax and Granite REIT may be assessed by the IRS for failure to withhold at an appropriate rate. As a practical matter, Granite may not be able to recover most of the amount of such assessment from Unitholders.

### *Changes to Tax Laws*

Granite operates in multiple foreign jurisdictions. Accordingly, it is subject to the tax laws and related tax treaties in each of those jurisdictions and the risk that those tax laws and treaties may change in the future or that recent changes to such tax laws or treaties may be applied by the tax authorities in an adverse manner. Any such changes could adversely affect taxes payable including withholding taxes, the effective tax rate in the jurisdictions in which Granite operates and the portion of distributions that would be income for Canadian income tax purposes.

### *Risks Related to the Positions Taken by Granite in its Tax Filings*

Tax provisions, including current and deferred tax assets and liabilities in Granite's financial statements and tax filing positions, require estimates and interpretations of Canadian and foreign tax laws, regulations, and tax treaties, and judgments as to their interpretation and application to Granite's specific situation. In addition, the computation of income and other taxes payable involves many complex factors and there can be no assurance that Canadian or foreign tax agencies will agree with Granite's tax filing positions and will not change their administrative practices to the detriment of Granite and its security holders. While Granite believes that its tax filing positions are appropriate and supportable under applicable law, they are always subject to review and assessment by the relevant taxation authorities. Therefore, it is possible that additional taxes could be payable by Granite or withheld on distributions received from non-resident subsidiaries or distributed to Unitholders or that additional taxable income could be allocated by Granite REIT to its Unitholders (potentially in excess of cash distributions made to them).

## Risks Relating to the Units

### *Distributions*

The Units are equity securities of Granite REIT and are not fixed income securities. A fundamental characteristic that distinguishes the Units from fixed income securities is that Granite REIT does not have a fixed obligation to make payments to holders of Units and does not have an obligation to return the initial purchase price of a Unit on a certain date in the future (although the Units are redeemable on demand, subject to certain limitations, as provided in the Declaration of Trust). Granite REIT has the ability to reduce or suspend distributions to holders of Units if circumstances warrant. The ability of Granite REIT to make cash distributions to Unitholders , and the actual amount distributed, will be entirely dependent on the operations and assets of Granite REIT and its subsidiaries, and will be subject to various factors including financial performance, obligations under indebtedness, fluctuations in working capital and capital expenditure requirements. There can be no assurance regarding the amount of income to be generated by Granite's properties.

In addition, unlike interest payments on an interest-bearing debt security, Granite REIT's cash distributions to Unitholders are composed of different types of payments (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax returns to Unitholders. Therefore, the rate of return over a defined period for a Unitholder may not be comparable to the rate of return on a fixed income security that provides a ''return on capital'' over the same period.

Although Granite REIT intends to distribute the majority of the consolidated income it earns, less expenses and amounts, if any, paid by Granite REIT in connection with the redemption of Units, the actual amount of distributions paid in respect of the Units will depend upon

numerous factors, all of which are susceptible to a number of risks and uncertainties beyond the control of Granite. Granite may also determine to retain cash reserves in certain of Granite's subsidiaries for the proper conduct of its business. Adding to these reserves in any year would reduce the amount of distributable cash and, hence, of cash available for distributions in that year. Accordingly, there can be no assurance regarding the actual levels of distributions by Granite REIT The market value of Units may decline significantly if Granite REIT suspends or reduces distributions.

Distributions by Granite REIT are payable in cash unless the Trustees determine to pay such amount in Units or fractions thereof. If Granite REIT does not have enough cash to pay distributions in an amount necessary to ensure it will not be liable to pay income tax under Part I of the Tax Act in a taxation year, distributions may be paid in the form of Units or fractions thereof, which could result in Unitholders having taxable income but not receiving cash with respect to such amount.

### *Subordination of Units*

In the event of a bankruptcy, liquidation or reorganization of Granite LP or its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets from such entities before any assets are made available for upstream distribution, eventually to Granite REIT. Units will be effectively subordinated to the Credit Facility, the Debentures, the Term Loans, and most of the other indebtedness and liabilities of Granite LP and its subsidiaries. None of Granite LP or its subsidiaries will be limited (other than pursuant to their credit facilities or other debt instruments, including the Credit Facility, the Debentures, and the Term Loans) in their respective ability to incur secured or unsecured indebtedness.

### *Non-Resident Ownership*

The Declaration of Trust imposes various restrictions on holders of Units. Unitholders that are Non-Residents are prohibited from beneficially owning more than 49% of Units (on a non-diluted and fully-diluted basis). These restrictions may limit (or inhibit the exercise of) the rights of certain persons, including persons who are not residents of Canada for purposes of the Tax Act and non-Canadians, to acquire Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Units. As a result, these restrictions may limit the demand for Units from certain persons and thereby adversely affect the liquidity and market value of the Units held by the public. See ''Declaration of Trust and Description of Units — Limitations on Non-Resident Ownership of Units''.

### *Currency Risk Associated with Granite's Distributions*

Holders of Units residing in countries where the Canadian dollar is not the functional currency will be subject to foreign currency risk associated with Granite's distributions, which are denominated in Canadian dollars.

### *Dependence on Granite LP*

Granite REIT is an open-ended, limited purpose trust which is, for purposes of its income, entirely dependent on Granite LP, and in turn on its subsidiaries. Granite REIT remains dependent upon the ability of Granite LP to pay distributions or returns of capital in respect of the units of Granite LP, which ability, in turn, is dependent upon the operations and assets of Granite LP's subsidiaries.

### *Market Price of Units*

A publicly-traded real estate investment trust will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Units will trade cannot be predicted. The market price of the Units could be subject to significant fluctuations in response to variations in quarterly operating results, distributions and other factors, including changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond Granite's control.

The annual yield on the Units as compared to the annual yield on other financial instruments may also influence the price of Units in the public trading markets. In general, an increase in market interest may lead investors in the Units to demand a higher annual yield which could adversely affect the quoted price of the Units.

In addition, the securities markets have in the past experienced, and may in the future experience, significant price and volume fluctuations from time to time unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Units.

### *Non-Direct Investment*

Granite REIT's principal assets are limited partnership interests in Granite LP. Each Unit represents an equal, undivided, beneficial interest in Granite REIT and does not represent a direct investment in Granite REIT's assets and should not be viewed by investors as a direct investment in Granite REIT's assets.

The Units are not ''deposits'' within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of that Act or any other legislation. Furthermore, Granite REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company. In addition, although Granite REIT is intended to qualify as a ''mutual fund trust'' as defined by the Tax Act, Granite REIT is not a ''mutual fund'' as defined by applicable securities legislation.

The Units do not represent a direct investment in the business of Granite LP and should not be viewed by investors as shares or interests in such entity or any other company. The Units do not represent debt instruments and there is no principal amount owing to Unitholders under the Units.

### *Redemptions of Units*

The Units are redeemable on demand by the holder, subject to the limitations described under the heading ''– Risks Relating to the Units''. It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investment. Upon a redemption of Units, the Trustees may distribute cash or Unit Redemption Assets (as defined under ''Declaration of Trust and Description of Units —Unit Redemption Right'') to the redeeming Unitholders, subject to obtaining any required regulatory approvals and complying with the requisite terms and conditions of such approvals. The property so distributed may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans, tax-free savings accounts and deferred profit-sharing plans, each within the meaning of the Tax Act depending upon the circumstances at the time.

Additionally, such securities, if any, are not expected to be listed on any stock exchange and no established market is expected to develop in such securities and they may be subject to resale restrictions under applicable securities laws.

### *Dilution of Units*

Granite may issue an unlimited number of Units for the consideration and on such terms and conditions as are established by the Trustees of Granite REIT without the approval of any Unitholders. Any further issuance of Units will dilute the interests of existing holders.

### *Liability of Unitholders*

The Declaration of Trust provides that no Unitholders, in such capacity, will be subject to any liability for, among other things, the obligations, liabilities or activities of Granite REIT. In addition, legislation has been enacted in the Province of Ontario and certain other provinces that is intended to provide Unitholders in those provinces with limited liability comparable to shareholders of a corporation. However, there remains a risk, which management of Granite REIT considers to be remote in the circumstances, that a Unitholder could be held personally liable for the obligations of Granite REIT to the extent that claims are not satisfied out of the assets of Granite REIT.

### *Statutory Remedies*

The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing Granite REIT's affairs equivalent to corporate statutes which set out the rights and entitlements of shareholders of corporations in various circumstances. As such, Unitholders do not have statutory rights with respect to Granite REIT normally associated with ownership of shares of a corporation including, for example, the right to bring ''oppression'' or ''derivative'' actions; however, certain analogous rights with respect to Granite REIT have been included in the Declaration of Trust since June 2022.

The rights granted in the Declaration of Trust are granted as contractual rights afforded to Unitholders. Similar to other existing rights contained in the Declaration of Trust (e.g., take-over bid provisions and conflict of interest provisions), making these rights and remedies and certain procedures available by contract is structurally different from the manner in which the equivalent rights and remedies or procedures (including the procedure for enforcing such remedies) are made available to shareholders of a corporation, who benefit from those rights and remedies or procedures by the corporate statute that governs the corporation. As such, there is no certainty how these rights, remedies or procedures may be treated by the courts in the non-corporate context or that a Unitholder will be able to enforce the rights and remedies in the manner contemplated by the Declaration of Trust. Furthermore, how the courts will treat these rights, remedies and procedures will be at the discretion of the court, and a court may choose to not accept jurisdiction to consider any claim contemplated in the Declaration of the Trust.

As well, Granite REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors' Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

**Risks Relating to the Debentures**

### *Credit Rating and Credit Risk*

The credit rating assigned to the Debentures by the applicable credit rating agency is not a recommendation to buy, hold or sell the Debentures. A rating is not a comment on the market price of a security, nor is it an assessment of ownership given various investment objectives. There can be no assurance that any credit rating assigned to the Debentures will remain in effect for any given period of time and such rating may be upgraded, downgraded, placed under review, confirmed and discontinued by an applicable credit ratings agency at any time. Real or anticipated changes in a credit rating on the Debentures may affect the market value of the Debentures. In addition, real or anticipated changes in a credit rating may affect the cost at which Granite LP can access the capital markets and a downgrade in a credit rating may increase the cost of borrowing of existing credit facilities. See ‘‘Credit Facility and Indebtedness — Credit Rating’’.

### *Repayment Risk*

The likelihood that holders of the Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial health of Granite REIT, Granite GP and Granite LP and their creditworthiness. In addition, the Debentures and the guarantees thereof will be unsecured obligations of Granite LP (in the case of the Debentures) and Granite REIT and Granite GP (in the case of the guarantees) and, therefore, if Granite LP, Granite REIT or Granite GP becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, its assets will be available to pay its obligations with respect to the Debentures and the guarantees thereof only after it has paid all of its secured indebtedness, if any, in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding.

### *Structural Subordination of Debentures*

Liabilities of a parent entity whose assets are held by various subsidiaries may result in the structural subordination of the creditors of the parent corporation to the creditors, including trade creditors, of such subsidiaries. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of Granite LP, Granite REIT or Granite GP, holders of indebtedness of Granite LP, Granite REIT and Granite GP (including holders of Debentures) may become subordinate to creditors of the subsidiaries of Granite LP.

### *Fluctuations in Market Price and Value of the Debentures*

The market price or value of the Debentures depends on many factors, including liquidity of the Debentures, prevailing interest rates and the markets for similar securities, general economic conditions and Granite’s financial condition, historic financial performance and future prospects.

Prevailing interest rates will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing interest rates for comparable debt instruments rise and increase as prevailing interest rates for comparable debt instruments decline.

Challenging market conditions, the health of the economy as a whole and numerous other factors beyond the control of Granite LP may have a material effect on the business, financial condition, liquidity and results of operations of Granite LP. Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market

prices of securities of issuers and that have often been unrelated to the operating performance, underlying asset values or prospects of such issuers. There can be no assurance that continuing fluctuations in price and volume will not occur. Accordingly, the market price of the Debentures may decline even if Granite LP's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are objective evidence of impairment, which may result in impairment losses. If such increased levels of volatility and market turmoil occur, Granite LP's operations could be adversely impacted, and the market price of the Debentures may be adversely affected.

### *Liquidity of Debentures*

There is currently only a secondary market with limited liquidity through which the Debentures may be sold. No assurance can be given that an active or liquid trading market for the Debentures will be maintained, and holders may not be able to resell Debentures. This may affect the pricing of the Debentures, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. To the extent that an active trading market for the Debentures does not exist, the liquidity and trading prices for the Debentures may be adversely affected. Whether or not the Debentures will trade at lower prices depends on many factors, including liquidity of the Debentures, prevailing interest rates and the markets for similar securities, general economic conditions and Granite's financial condition and future prospects.

### *Change of Control*

Granite LP may be required to purchase all outstanding Debentures upon the occurrence of a ''Change of Control'' (as defined in the Indentures). However, it is possible that following a Change of Control, Granite LP will not have sufficient funds at that time to make any required purchase of outstanding Debentures or that restrictions contained in other indebtedness will restrict those purchases.

### *Early Redemption of Debentures*

Granite LP may choose to redeem the Debentures prior to maturity, in whole or in part, at any time or from time to time, especially when prevailing interest rates are lower than the rate borne by the Debentures. If prevailing rates are lower at the time of redemption, a holder would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Debentures being redeemed.

## DECLARATION OF TRUST AND DESCRIPTION OF UNITS

The following is a summary of certain provisions of the Declaration of Trust and does not purport to be complete and is subject to and is qualified in its entirety by reference to the Declaration of Trust, as filed on SEDAR+ at www.sedarplus.ca.

**Units**

The beneficial interests in Granite REIT are represented and constituted by a single class of ''trust units''. An unlimited number of Units may be issued pursuant to the Declaration of Trust. Each Unit represents an equal undivided beneficial interest in any distributions by Granite REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination of Granite REIT, in the net assets of Granite REIT remaining after satisfaction of all liabilities, and no Unit has any preference or priority over any other.

No Unitholder is entitled to call for any partition or division of Granite REIT's property or for a distribution of any particular asset forming part of Granite REIT's property or of any particular monies or funds received by the Trustees. The legal ownership of the property of Granite REIT and the right to conduct the activities and operations of Granite REIT are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the property of Granite REIT, except as a beneficiary of Granite REIT and as specifically provided in the Declaration of Trust.

Unitholders may attend and vote at all meetings of the Unitholders, either in person or by proxy, and each Unit is entitled to one vote at all such meetings or in respect of any written resolution of Unitholders.

Subject to applicable regulatory approval, the issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without Unitholder approval.

The Units are not ''deposits'' within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of such Act or any other legislation. Furthermore, Granite REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on the business of a trust company.

**Allotment and Issue of Units**

The consideration for any Unit must be paid in one or more of money, property or past services performed for or for the direct or indirect benefit of Granite REIT, the value of which consideration received by Granite REIT, as determined by the Trustees, equals or exceeds the issue price set for the Unit. Subject to the foregoing and the restrictions noted at ''— Limitations on Non-Resident Ownership of Units'', the Trustees may allot and issue Units at such time or times and in such manner (including pursuant to any reinvestment plan relating to distributions of Granite REIT, equity-based compensation plans of Granite REIT or its respective affiliates or pursuant to a unitholder rights plan of Granite REIT, and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall determine. Units may be issued and sold on an instalment basis, in which event beneficial ownership of such Units may be represented by instalment receipts but shall otherwise be non-assessable. Units may also be issued in satisfaction of any non-cash distribution by Granite REIT to the Unitholders.

The Trustees may also create and issue rights, warrants or options or other instruments or securities (including, subject to the provisions summarized under ''Investment Guidelines and Operating Policies of Granite REIT'', debt securities) exercisable for, convertible into, exchangeable for or otherwise pursuant to which a holder may subscribe for, acquire or receive payment in, fully paid Units.

**Transferability of Units**

The Units are freely transferable and, other than as provided in the Declaration of Trust, the Trustees shall not impose any restriction on the transfer of the Units.

No transfer of Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the register to be maintained by Granite REIT's registrar and transfer agent.

**Purchases of Units**

Granite REIT may purchase or otherwise acquire at any time, in each case for cancellation, the whole or from time to time any part of the outstanding Units, at a price per Unit and on a basis determined by the Trustees in compliance with all applicable securities laws, regulations or policies and the policies of any applicable stock exchange.

**Trustees**

***Number of Trustees and Quorum***

The Declaration of Trust provides that Granite REIT will have a minimum of three and a maximum of 15 Trustees.

The number of Trustees may be fixed within such limits, from time to time, and increased or decreased within such limits, from time to time, by resolution of the Trustees. If the number of Trustees so fixed is increased, the Trustees may, from time to time, appoint one or more additional Trustees to fill such a vacancy, provided that the number of additional Trustees so appointed must not at any time exceed one-third of the number of the current Trustees who were elected or appointed as Trustees other than pursuant to the foregoing.

***Trustee Power and Authority***

The Trustees, subject only to the specific limitations contained in the Declaration of Trust, including, without limitation, those described under ‘‘Investment Guidelines and Operating Policies of Granite REIT’’ and ‘‘— Amendments to the Declaration of Trust — Amendments by Unitholders’’, shall have, without further or other authorization, action or consent and free from any control or direction on the part of, Unitholders, full, absolute and exclusive power, control and authority over the assets of Granite REIT and over the activities and operations of Granite REIT to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of such assets in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of Granite REIT or the conducting of the activities and operations of Granite REIT.

In particular, the Trustees have the power and authority to, among other things: (a) retain, invest and re-invest the capital or other funds of Granite REIT in real or personal property of any kind; (b) possess and exercise all the rights, powers and privileges appertaining to the ownership of the property of Granite REIT; (c) increase the capital of Granite REIT at any time by the issuance of additional Units; (d) invest in, purchase or otherwise acquire and hold for investment the entire or any participating interest in notes, debentures, bonds or other obligations which are secured by any mortgages; (e) sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of any or all of the property of Granite REIT; (f) enter into leases, contracts, obligations and other agreements; (g) issue any type of debt securities or convertible debt securities and borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes, activities and operations of Granite REIT; (h) guarantee, indemnify or act as surety with respect to payment or performance of obligations of other persons, to the extent, in the opinion of the Trustees, necessary or incidental to or desirable for the carrying out of any of the purposes of Granite REIT or conducting the activities and operations of Granite REIT; (i) lend money or other property of Granite REIT; (j) elect, appoint, engage or employ officers of Granite REIT who may be removed or discharged at the discretion of the Trustees; (k) collect, sue for and receive sums of money coming due to Granite REIT; (l) renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of Granite REIT; (m) to the extent permitted by

law, indemnify, or enter into agreements with respect to the indemnification of, the Trustees; (n) except as prohibited by law or the Declaration of Trust, delegate any of the powers and duties of the Trustees; and (o) do all such other acts and things as are incidental to the foregoing, and exercise all powers which are necessary or useful to carry on the activities and operations of Granite REIT, to promote any of the purposes for which Granite REIT is formed and to carry out the provisions of the Declaration of Trust.

### *Term of Trustees*

Trustees elected or appointed hold office for a term that, subject to the terms of the Declaration of Trust, expires at the conclusion of the next annual meeting of Unitholders or until their successors are elected or appointed (or until their earlier resignation, removal or death, applicable), and shall be eligible for election or re-election.

### *Residency of Trustees and Quorum*

A majority of the Trustees must be Resident Canadians. If at any time a majority of the Trustees are not Resident Canadians because of the resignation, removal, death or change in circumstance of any Trustee who was a Resident Canadian, or there are no Trustees who are Resident Canadians, the Trustee or Trustees who are not Resident Canadians shall, immediately before that time, be deemed to have resigned and shall cease to be Trustees with effect from the time of such deemed resignation.

A quorum of the Trustees will be a majority of the Trustees then holding office, provided that a majority of Trustees present are Resident Canadians.

A majority of meetings of the Trustees in each calendar year must be held in Canada.

### *Resignation and Removal of Trustees*

A Trustee may resign at any time and such resignation shall take effect on the date notice is given or at any later time specified in the notice. A Trustee may be removed at any time (i) with or without cause by a majority of the votes cast at a meeting of Unitholders or (ii) by the other Trustees if the Trustee is convicted of an indictable offence, or if the Trustee ceases to be qualified to act as a trustee of Granite REIT and does not promptly resign. Any removal of a Trustee shall take effect immediately following the aforesaid vote or resolution.

### *Vacancies*

The resignation, deemed resignation, removal or death of a Trustee, or failure of the Unitholders to elect some, but not all, of the required number of Trustees, shall cause a vacancy to occur and a majority of the Trustees continuing in office may fill such a vacancy; provided that, if such vacancy arises as a result of removal of a Trustee by Unitholders, such vacancy may be filled by the Unitholders electing a replacement Trustee at the meeting at which the Trustee is removed. If Unitholders fail to elect any Trustees, the Trustees then in office will continue to hold office, subject to the terms of the Declaration of Trust.

Until vacancies resulting from the resignation, deemed resignation, removal or death of a Trustee are filled (through election by Unitholders, appointment by the remaining Trustees or otherwise in accordance with the Declaration of Trust), the remaining Trustee or Trustees (even if less than a quorum) may exercise the powers of the Trustees under the Declaration of Trust.

If at any time the number of Trustees is less than the required number and the remaining Trustee or Trustees fail or are unable to appoint one or more additional Trustees or if, upon the

deemed resignation of one or more Trustees there would be no Trustees, then the Trustees then in office shall promptly call a special meeting of Unitholders to fill the vacancies (and conduct such other business, if any, that may be dealt with at that meeting) and, if they fail to call a meeting or if there are no Trustees then in office, the meeting may be called by any Unitholder.

### *Standard of Care of Trustees, Indemnification and Limitations of Liability*

The Declaration of Trust provides that that the Trustees shall exercise their powers and carry out their functions thereunder honestly and in good faith with a view to the best interests of Granite REIT and the Unitholders and that in connection therewith the Trustees shall exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.

The Declaration of Trust provides that the Trustees shall at all times be indemnified and saved harmless out of the property of Granite REIT from and against losses which the Trustees may suffer, sustain, incur or be required to pay as a result of, or in connection with any claim for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of their duties as Trustees and also from and against all other losses which they sustain or incur in or about or in relation to the activities and operations of Granite REIT, unless: (i) at the time that the indemnity or payment is made, Granite REIT was prohibited from giving the indemnity or paying the expenses by the then governing declaration of trust; (ii) in relation to the subject matter of any proceeding or investigation for which indemnification is sought, the Trustee did not act honestly and in good faith with a view to the best interests of Granite REIT and the Unitholders; or (iii) in the case of any criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee did not have reasonable grounds for believing that the Trustee's conduct in respect of which the proceeding was brought was lawful. The Declaration of Trust also provides, in certain circumstances, for the advance of funds to a Trustee and repayment of such funds to Granite REIT.

Pursuant to the Declaration of Trust, none of the Trustees or any agent of Granite REIT shall be liable to Granite REIT or any Unitholder or former Unitholder for (i) any action taken in good faith in reliance on any documents that are, prima facie, properly executed, (ii) any depreciation of, or loss to, Granite REIT incurred by reason of the sale of any security, (iii) the loss or disposition of monies or securities, or (iv) any other action or failure to act, including the failure to compel in any way any former or acting Trustee to redress any breach of trust or any failure by any person to perform obligations or pay monies owed to Granite REIT, except for a breach of the duties and standard of care, diligence and skill set out above. If the Trustees have retained an appropriate expert or advisor with respect to any matter connected with their duties under the Declaration of Trust, the Trustees may in good faith act or refuse to act based on the advice of such expert or advisor and, notwithstanding any provision of the Declaration of Trust, including the duties and standard of care, diligence and skill set out above, the Trustees will not be liable for any action or refusal to act in good faith based on the advice of any such expert or advisor which it is reasonable to conclude is within the expertise of such expert or advisor to give. The Declaration of Trust further provides that (i) subject to the duties and standard of care, diligence and skill set out above, none of the Trustees nor any agent of Granite REIT shall be subject to any liability in their personal capacities for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses (including legal expenses) against or with respect to Granite REIT or in respect to the activities of Granite REIT, (ii) other than the property and assets of Granite REIT, no property or assets of the Trustees, owned in their personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations of Granite REIT under the Declaration of

Trust or under any other agreements and no recourse with respect to such obligations may be had or taken, directly or indirectly, against the Trustees in any capacity other than their capacity as Trustees of Granite REIT or against any successor, heir, executor, administrator or legal representative of the Trustees, and (iii) Granite REIT shall be solely liable therefor and resort shall be had solely to the property and assets of Granite REIT for payment or performance thereof.

The Declaration of Trust also provides that the foregoing matters in this paragraph will apply mutatis mutandis to each individual who: (i) is or was an officer of Granite REIT; (ii) was a Trustee; (iii) is or was, or holds or held a position equivalent to that of, a director or officer of Granite GP or of a person at a time when that person is or was an affiliate of Granite REIT or of Granite GP; (iv) at the request of Granite REIT or Granite GP, is or was, or holds or held a position equivalent to that of, a director or officer of a person; and the heirs and personal or other legal representatives of any of the foregoing individuals or an individual who is a Trustee. Granite REIT shall also indemnify any such persons in such other circumstances as the Declaration of Trust or law permits or requires.

**Unit Redemption Right**

Units are redeemable at any time on demand by the holders thereof. A Unitholder who wishes to exercise the redemption right is required to duly complete and properly execute a notice, in a form approved by the Trustees, requiring Granite REIT to redeem that number of Units specified in the notice, which notice shall be sent to the head office of Granite REIT or any principal office of the transfer agent in respect of Units. No form or manner of completion or execution of a notice shall be sufficient unless the same is in all respects satisfactory to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

On Granite REIT's acceptance of the notice to redeem Units, the Unitholder shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon which are declared payable to the Unitholders of record on a date which is subsequent to the day of receipt by Granite REIT of such notice. Units shall be deemed to be tendered for redemption on the date (the ''Unit Redemption Date'') that Granite REIT has, to the satisfaction of the Trustees, received the notice and other required documents or evidence. All Units redeemed by Granite REIT will be cancelled.

A Unitholder shall, upon Granite REIT's receipt of a valid redemption notice, be entitled to be paid, in respect of each Unit so tendered for redemption an amount per Unit (the ''Unit Redemption Price'') equal to:

(a) 95% of the ''market price'' of a Unit on the TSX (or, if not traded on the TSX, another applicable principal market), during the 10-trading day period commencing immediately after the Unit Redemption Date; and

(b) the ''closing market price'' of a Unit on the TSX (or, if not traded on the TSX, another applicable principal market), on the Unit Redemption Date.

For the purposes of the foregoing,

(i) the ''market price'' of a Unit will be an amount equal to the volume weighted average of the trading prices of the Units for each of the trading days on which there was a trade of Units during the specified 10-trading day period; provided that if there was trading on the applicable exchange or market for fewer than five of the 10- trading days, the ''market price'' shall be the simple average of the following prices

established for each of the 10 trading days: for each day on which there was no trading, the average of the last bid and ask prices; and for each day that there was trading, the volume weighted average trading price of the Units; and

(ii) the ‘‘closing market price’’ of a Unit for a particular date shall be an amount equal to: (a) the closing price of the Units if there was a trade on that date and the exchange or market provides a closing price; (b) the average of the highest and lowest prices of the Units if there was trading and the exchange or other market provides only the highest and lowest trading prices of Units traded on that date; and (c) the average of the last bid and last ask prices of the Units if there was no trading on that date.

The aggregate cash redemption price payable by Granite REIT in respect of all Units tendered for redemption during any calendar month shall be satisfied by way of a cash payment on or before the last day of the calendar month following the month in which the Units were tendered for redemption, provided that such entitlement to receive cash shall not be applicable to Units tendered for redemption by a Unitholder, if:

(i) the total amount payable by Granite REIT in respect of Units tendered for redemption in a calendar month exceeds $100,000; provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Units tendered for redemption in any calendar month;

(ii) at the time the Units are tendered for redemption, the outstanding Units are not listed for trading or quoted on any stock exchange or market which, in the sole discretion of the Trustees, provides representative fair market value prices for the Units; or

(iii) the normal trading of the outstanding Units is suspended or halted on any stock exchange on which the Units are listed for trading or, if not so listed, on any market on which the Units are quoted for trading, on the Unit Redemption Date for such Units or for more than five trading days during the 10-trading day period commencing immediately after the Unit Redemption Date for such Units.

If a Unitholder is not entitled to receive its entire redemption price in cash upon the redemption of Units as a result of one or more of the foregoing limitations, then each Unit tendered for redemption will, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution in specie to such Unitholder consisting of notes of Granite LP or another subsidiary of Granite LP having a net asset value in excess of $50 million, having a maturity date of 10 years from their date of issue, a principal amount equal to the applicable Unit Redemption Price and an interest rate which, as determined by the Trustees, will result in such notes having a fair market value equal to their principal amount (such notes, the ‘‘Unit Redemption Assets’’). The Unit Redemption Price payable in respect of such Units tendered for redemption during any month shall be paid by the transfer of the Unit Redemption Assets, to or to the order of the Unitholder who exercised the right of redemption, on or before the last business day of the calendar month following the month in which the Units were tendered for redemption. No principal amount of Unit Redemption Assets that is not an integral multiple of $10 will be distributed and, where Unit Redemption Assets to be received by a former Unitholder include a principal amount that is not an integral multiple of $10, the principal amount of such Redemption Assets shall be rounded to the nearest integral multiple of $10 (with $5 being rounded up).

**Meetings of Unitholders**

### *Annual and Other Meetings*

The Declaration of Trust provides that there shall be an annual meeting of the Unitholders at such time and place in Canada as the Trustees shall prescribe for the purpose of electing Trustees, appointing the auditors of Granite REIT and transacting such other business as the Trustees may determine or as may properly be brought before the meeting.

A meeting of Unitholders may be convened at any time and place and for any purpose by the Trustees and must be convened if requisitioned by Unitholders holding in the aggregate not less than 5% of the outstanding Units.

Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy and a proxyholder need not be a Unitholder. The quorum of Unitholders for the transaction of business at a meeting of Unitholders shall exist where two or more Unitholders holding Units carrying not less than 25% of the number of votes attached to all Units entitled to be voted at such meeting are present in person or represented by proxy. Any meeting of Unitholders may be held partially or entirely by means of a telephonic, electronic or other communications medium. The Declaration of Trust contains further provisions as to quorum, the notice required and other procedures with respect to the calling and holding of meetings of Unitholders.

### *Matters on which Unitholders Shall Vote*

The Declaration of Trust provides that none of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held:

(i) subject to certain exceptions (see ‘‘— *Trustees*’’), the appointment, election or removal of Trustees;

(ii) the appointment or removal of auditors of Granite REIT;

(iii) any amendment to the Declaration of Trust (except as noted at ‘‘*Investment Guidelines and Operating Policies of Granite — Amendments to Investment Guidelines and Operating Policies*’’ or "*— Amendments to the Declaration of Trust — Amendments by Trustees*’’); or

(iv) the matters noted at ‘‘*— Amendments to the Declaration of Trust — Amendments by Unitholders*’’.

Except with respect to the matters specified above or as noted under ‘‘— Amendments to the Declaration of Trust", no vote of the Unitholders will in any way bind the Trustees.

**Unitholder Proposals**

Unitholders have a right to submit written notice to Granite REIT of any matter that the person wishes to have considered at the next annual meeting of Unitholders (a “Proposal”) and to present at the meeting the Proposal, provided that they are a Qualified Unitholder (as defined below) at the time.

A Proposal may include nominations for the election of trustees if the Proposal is made in compliance with Granite REIT’s Advance Notice Provisions. See “- Advance Notice Provisions” below.

To be eligible to submit a Proposal, a person must be a registered or beneficial owner of one or more Units that carry the right to vote at general meetings for an uninterrupted period of at

least two years before the date of signing the Proposal (a "Qualified Unitholder"). A person is not a Qualified Unitholder if, within two years before the signing of such Proposal, the person failed to present at a meeting of Unitholders, a Proposal that, at the person's request, had been included in a proxy circular relating to a meeting of the Unitholders.

A Proposal is valid if, among other things, (i) it includes the signature of the person submitting the Proposal and persons in support of the Proposal; (ii) it is signed by Qualified Unitholders who, together with the person that submits the Proposal, at the time of signing, are the registered holders or beneficial owners of Units that, in the aggregate, (A) constitute not less than 1% of the combined total number of outstanding Units, or (B) have a fair market value in excess of $2,000; (iii) the Proposal is accompanied by a declaration from the person submitting the Proposal and each supporter, signed by person submitting the Proposal and each supporter, as the case may be, or, in the case of a person submitting or supporting the Proposal that is a corporation, by a director or senior officer of the signatory, (A) providing the name and mailing address of that signatory; (B) declaring the number of Units owned by that signatory as a registered or beneficial owner; and (C) unless the name of the registered owner has already been provided in the Proposal, providing the name of the registered owner of those Units; and (iv) the Proposal and the declarations are received at the registered office of Granite REIT at least three months before the anniversary of the previous year's annual meeting of Unitholders.

Granite REIT will include in, or attach to, its proxy circular delivered in connection with its annual meeting, the text of the Proposal, the names and mailing addresses of the submitter and supporters of the Proposal, and, if requested by the submitting person, include a statement in support of the Proposal by such person, such statement, together with the Proposal, not to exceed 1,000 words exclusive of the prescribed information referred to above. Notwithstanding the foregoing, Granite REIT shall not be obligated to include such materials/information in its circular if (i) the Proposal is submitted to Granite REIT less than three months before the anniversary date of the prior year's annual meeting; (ii) the Trustees have called an annual general meeting to be held after the date on which the Proposal is received by Granite REIT and have sent notice of that meeting in accordance with the Declaration of Trust; (iii) the Proposal is not validly submitted or exceeds the maximum length; (iv) it clearly appears that the primary purpose of the Proposal is to enforce a personal claim or redress personal grievance or the Proposal does not relate in a significant way to the business or affairs of Granite REIT; (v) substantially the same Proposal was submitted to Unitholders within the preceding five years and did not receive the required support (being 3% of total Units voted if the Proposal was introduced at one annual meeting, 6% of total Units voted if the Proposal introduced at two annual meetings, and 10% of total Units voted if the Proposal introduced at three or more annual meetings); (vi) the Proposal has already been substantially implemented; (vii) the Proposal, if implemented, would cause Granite REIT to commit an offence; or (viii) the Proposal deals with matters beyond Granite REIT's power to implement.

**Advance Notice Provisions**

The Declaration of Trust requires advance notice to be given to Granite REIT of Unitholder proposals relating to the nomination of Trustees (the "Advance Notice Provisions").

To be an eligible Unitholder for making nominations under the Advance Notice Provisions, the nominating Unitholder (a "Nominating Unitholder") must (a) comply with the notice procedures set forth in the Advance Notice Provisions, as provided for below, and (b) at the close of business on the date of the giving of the applicable notice and on the record date for notice of the applicable Unitholder meeting, be entered in Granite REIT's register as a holder of one or

more Units carrying the right to vote at such meeting or beneficially own Units that are entitled to be voted at such meeting.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof to the Trustees in the prescribed manner.

To be timely, a Nominating Unitholder's notice to the Trustees must be made, among other things: (i) in the case of an annual meeting of Unitholders, not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of such meeting was made, notice may be given not later than the close of business on the tenth day following the Notice Date; (ii) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the fifteenth day following the Notice Date; and (iii) in the case of an annual meeting of Unitholders or a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not also called for other purposes) where "notice-and-access" (as defined in National Instrument 54-101- *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy-related materials and the Notice Date is not less than 50 days before the date of the meeting, not less than 40 days prior to the date of the meeting.

To be in proper written form, a Nominating Unitholder's notice to the Trustees must, among other things, set forth: (i) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, province or state, and country of residence of the person; (B) the principal occupation or employment of the person; (C) whether the person is a Resident Canadian; (D) the class or series and number of Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws; and (ii) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws.

**Limitations on Non-Resident Ownership of Units**

At no time may more than 49% (on either a basic or fully-diluted basis) of the Units be held for the benefit of any Non-Resident Beneficiaries. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident or declarations from holders of Units as to whether such Units are held for the benefit of Non-Resident Beneficiaries. If the Trustees become aware that more than 49% (on either a basic or fully-diluted basis) of the Units then outstanding are, or may be, held for the benefit of Non-Resident Beneficiaries or that such a situation is imminent, the Trustees may cause Granite REIT to make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration that the person is not a Non-Resident (or, in the discretion of the Trustees, that the person is not a Non-Resident Beneficiary) and does not hold its Units for a Non-Resident Beneficiary. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units (on either a basic or fully-diluted basis) are held for the benefit of Non-Resident Beneficiaries, the Trustees may cause

Granite REIT to send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not more than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents and do not hold their Units for the benefit of Non-Resident Beneficiaries within such period, the Trustees may cause Granite REIT to sell such Units on behalf of such Unitholders and, in the interim, the voting and distribution rights attached to such Units shall be suspended. Upon such sale the affected holders shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds from such sale.

**Amendments to the Declaration of Trust**

***Amendments by Unitholders***

Except as noted below, the Declaration of Trust may be amended by the vote of a majority of the votes cast at a meeting of Unitholders called for that purpose.

The Declaration of Trust provides that none of the following shall occur unless the same has been duly approved by the affirmative vote of at least two-thirds of the votes cast at a meeting of Unitholders duly called and held:

(i) any amendment to change a right with respect to any outstanding Units to reduce the amount payable thereon upon termination of Granite REIT or to diminish or eliminate any voting rights pertaining thereto;

(ii) any amendment to the duration or termination provisions of Granite REIT;

(iii) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;

(iv) the termination of Granite REIT;

(v) any sale or transfer of the assets of Granite REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of Granite REIT as approved by the Trustees); or

(vi) any amendment to the investment guidelines set out under the heading ‘‘Investment Guidelines and Operating Policies of Granite REIT — Investment Guidelines’’ and the operating policies set out under the heading ‘‘Investment Guidelines and Operating Policies of Granite REIT — Operating Policies’’, except as noted under ‘‘Investment Guidelines and Operating Policies of Granite REIT — Amendments to Investment Guidelines and Operating Policies’’.

***Amendments by Trustees***

The Declaration of Trust provides that the Trustees may make the following amendments to the Declaration of Trust in their sole discretion and without the approval of Unitholders:

(i) amendments for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over Granite REIT or the distribution of Units;

(ii) amendments which, in the opinion of the Trustees, provide additional protection for Unitholders;

(iii) amendments which, in the opinion of the Trustees are necessary or desirable to remove conflicts or inconsistencies in the Declaration of Trust;

(iv) amendments which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in this information circular and the Declaration of Trust;

(v) amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors which amendments in the opinion of the Trustees are necessary or desirable and not prejudicial to the Unitholders;

(vi) such amendments to the Declaration of Trust as the Trustees in their discretion deem necessary or desirable (a) as a result of changes in the taxation laws from time to time which may affect Granite REIT, the Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or a carrier, or to qualify for a particular status under taxation laws including to qualify as a ‘‘mutual fund trust’’ or a ‘‘real estate investment trust’’ for purposes of the Tax Act or to otherwise prevent Granite REIT or any of its subsidiaries from becoming subject to taxation under the SIFT Rules or under Part XII.2 of the Tax Act, or (b) as a result of changes in accounting standards (including the implementation of IFRS Accounting Standards) from time to time which may affect Granite REIT, the Unitholders or annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or a carrier; and

(vii) amendments which in the opinion of the Trustees are not prejudicial to Unitholders and are necessary or desirable (which, for greater certainty, exclude amendments in respect of which a Unitholder vote is specifically otherwise required); and (vii) amendments which in the opinion of the Trustees are necessary or desirable to enable Granite REIT to issue Units for which the purchase price is payable on an instalment basis.

### *Written Resolutions of Unitholders*

A resolution signed in writing by Unitholders shall be deemed to be a proceeding at a meeting of Unitholders and to be as valid and effective as if it had been passed at a meeting of Unitholders if all the Unitholders who are entitled to vote at an annual meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual meeting.

The Declaration of Trust may not be amended to require a greater number of votes of Unitholders to remove a Trustee unless all Unitholders consent by a unanimous written resolution.

**Ratifying Amendments to the Declaration of Trust**

An amendment to the Declaration of Trust described under sections (vii) and (viii) of
“- Amendments by Trustees” above shall be subject to the following ratifying procedures:

a. Such an amendment shall be submitted by the Trustees to the Unitholders at the next meeting of Unitholders, and the Unitholders are entitled to vote on the amendment may, by a majority of the votes cast at such meeting of Unitholders, confirm, reject or amend the amendment to the Declaration of Trust.
b. Such an amendment is effective from the date the amended Declaration of Trust is signed which reflects the amendment approved by the Trustees until it is confirmed, confirmed as amended or rejected by the Unitholders or until it ceases to be effective as

described below, and, where the amendment is confirmed or confirmed as amended, it continues in effect in the form in which it was so confirmed.

c. If such an amendment is rejected by the Unitholders, or if the Trustees do not submit such an amendment to the Unitholders, in either case as required, the amendment ceases to be effective immediately after the meeting of Unitholders referred to in (a) and no subsequent resolution of the Trustees to amend the Declaration of Trust having substantially the same purpose or effect is effective until it is confirmed or confirmed as amended by the Unitholders. The Trustees shall sign an amended and restated Declaration of Trust which removes the rejected or unapproved amendment.

**Unitholder Remedies**

### *Dissent and Appraisal Rights*

The Declaration of Trust contains provisions entitling a Unitholder who is entitled to vote at a meeting of Unitholders, upon compliance with the requirements set out in the Declaration of Trust, to dissent to certain fundamental changes and transactions resolved by Granite REIT, including:

a. if Granite REIT resolves to amend the Declaration of Trust to add, change or remove any restriction on the business that Granite REIT may carry on;
b. in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
c. if Granite REIT resolves to sell, lease, transfer or exchange all or substantially all the property and assets of the Trust;
d. in respect of any other resolution, if dissent is authorized by the resolution; or
e. in respect of any court order that permits dissent.

A Unitholder wishing to dissent must: (i) prepare a separate notice of dissent in accordance with the terms of the Declaration of Trust for (A) the Unitholder, if the Unitholder is dissenting on the Unitholder's own behalf, and (B) each other person who beneficially owns Units registered in the Unitholder's name and on whose behalf the Unitholder is dissenting; (ii) identify in each notice of dissent the person on whose behalf dissent is being exercised in that notice of dissent; and (iii) dissent with respect to all of the Units registered in the Unitholder's name, of which the person identified under item (ii) is the beneficial owner.

A person who wishes to have dissent exercised with respect to Units of which the person is the beneficial owner must: (i) dissent with respect to all of the Unit, if any, of which the person is both the registered owner and the beneficial owner, and (ii) cause each Unitholder who is a registered owner of any other Units of which the person is the beneficial owner to dissent with respect to all of those Units.

A Unitholder that dissents in accordance with the procedures under the Declaration of Trust will be entitled, at the time the approved action from which the Unitholder dissents becomes effective, to receive the agreed upon payout value (being the fair value of the Units at the applicable time, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable) of the Units held by such dissenting Unitholder in respect of which the Unitholder dissents.

The Declaration of Trust includes requirements for submitting Units to be cancelled and receipt of the payout value payment owed, by which Granite REIT and the dissenting Unitholder must adhere to for the purposes of complying with the Declaration of Trust.

Granite REIT and each dissenting Unitholder may enter into an agreement with respect to the payout value of the Units, following which Granite REIT must promptly pay that amount to the dissenter. The proposed provisions will provide for the ability to make application to a court if Granite REIT and the dissenting Unitholder fail to agree upon the payout value for the Units, for purposes of the court fixing a payout value for the Units of any dissenting Unitholder, or to order that the payout value of those Units be established by arbitration or by reference to the registrar, or a referee of, the court.

A Unitholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular action.

### *Oppression Remedy*

The Declaration of Trust provides certain persons with the right to an oppression remedy.

Unitholders and any other person who in the discretion of the court is a proper person to make an application (each, a "Complainant") may apply to a court on the ground: (i) that the affairs of Granite REIT are being or have been conducted, or that the powers of the Trustees are being or have been exercised, in a manner oppressive to one or more of the Unitholders, including the applicant; or (ii) that some act of Granite REIT has been done or is threatened, or that some resolution of the Unitholders has been passed or is proposed, that is unfairly prejudicial to one or more of the Unitholders, including the applicant.

On an application to the court, the court may, if it is satisfied that the application was brought by a Complainant in a timely matter, with a view to remedying or bringing to an end the matters complained of, make any interim or final order it considers appropriate.

**Term of Granite REIT**

Granite REIT has been established for a term that will continue for so long as any of the Granite REIT property is held by the Trustees, unless earlier terminated by the Unitholders (see ''Declaration of Trust and Description of Units —Amendments to the Declaration of Trust — Amendments by Unitholders'').

The Declaration of Trust provides that upon the termination of Granite REIT, the liabilities of Granite REIT will be discharged or provided for with due speed and the net assets of Granite REIT will be liquidated and the proceeds distributed proportionately to the Unitholders, unless some other procedure is provided for by resolution of Unitholders in compliance with the Declaration of Trust. Such distribution may be made in cash or in kind or partly in each, all as the Trustees in their sole discretion may determine.

**Acquisition Offers**

The Declaration of Trust provides that if an offer is made to acquire the Units and, within four months after the making of the offer, the offer is accepted by the Unitholders who, in aggregate, hold at least 90% of the Units, other than Units already held at the date of the offer by, or by a nominee of, the offeror or its affiliates, the offeror will be entitled to acquire the Units held by Unitholders who did not accept the offer, on the terms on which the offeror acquired Units from Unitholders who accepted the offer.

**Information and Reports**

The Declaration of Trust provides that within such time period as is acceptable under National Instrument 51-102 — Continuous Disclosure Obligations, as amended from time to time (or other equivalent applicable regulations or successors thereto) ("NI 51-102"), upon a Unitholder's request or otherwise as required by applicable law, the Trustees will send or make available to Unitholders the audited comparative financial statements for each fiscal year required to be sent or made available to Unitholders under applicable securities laws (including any exemption therefrom). Within such time period as is acceptable under NI 51-102, after the end of each of the first three fiscal quarters of each year, upon a Unitholder's request or otherwise as required by applicable law, the Trustees will also send or make available the unaudited comparative financial statements for the period then ended required to be sent or made available to Unitholders under applicable securities laws (including any exemption therefrom).

The Trustees will supply Unitholders with any information that may be required by them in connection with their obligations under the Tax Act and equivalent provincial legislation.

**Conflict of Interest Provisions**

The Declaration of Trust contains ''conflict of interest'' provisions that serve to protect Unitholders without creating undue limitations on Granite REIT. The Declaration of Trust contains provisions that require disclosure from a Trustee or officer of Granite REIT in respect of a contract or transaction that (i) is material to Granite REIT, (ii) Granite REIT has entered, or proposes to enter, into, and (iii) either: (a) the Trustee or officer of Granite REIT has a material interest in; or (b) is with a person of which the Trustee or officer of Granite REIT is a director or officer or in which the Trustee or officer of Granite REIT has a material interest (each a ''Disclosable Interest''). The Declaration of Trust provides that a Trustee or officer of Granite REIT does not hold a Disclosable Interest in a contract or transaction merely because, among other reasons: (i) the contract or transaction is an arrangement by way of security granted by Granite REIT for money loaned to, or obligations undertaken by, the Trustee or officer of Granite REIT, or a person in whom the Trustee or officer of Granite REIT has a material interest, for the benefit of Granite REIT or an affiliate of Granite REIT; (ii) the contract or transaction relates to an indemnity or insurance for one or more Trustees or officers of Granite REIT in accordance with the Declaration of Trust; (iii) the contract or transaction relates to the remuneration of the Trustee or officer of Granite REIT in that person's capacity as a Trustee (or director), officer, employee or agent of Granite REIT or of an affiliate of Granite REIT; (iv) the contract or transaction relates to a loan to Granite REIT, and the Trustee or officer of Granite REIT, or a person in whom the Trustee or officer of Granite REIT has a material interest, is or is to be a guarantor of some or all of the loan; or (v) the contract or transaction has been or will be made with or for the benefit of a person that is affiliated with Granite REIT and the Trustee or officer of Granite REIT is also a Trustee, director or officer of that person or an affiliate of that person. The Declaration of Trust will also provide that a Trustee who has such a Disclosable Interest in a contract or transaction into which Granite REIT has entered or proposes to enter is not entitled to vote on any resolution to approve that contract or transaction, unless all the Trustees have such a Disclosable Interest in that contract or transaction, in which case any or all of the Trustees may vote on such resolution, however, subject to certain exceptions, the Trustees will be liable to account to Granite REIT for any profit that accrues to the Trustee under or as a result of such a contract or transaction.

## CREDIT FACILITY AND INDEBTEDNESS

**Debentures, Term Loans, and Credit Facility as at December 31, 2024**

| Debt Instrument | Issue Date | Maturity Date | Principal Issued and Outstanding (in millions) |
|---|---|---|---|
| Credit Facility | March 27, 2024 | March 31, 2029 | $ — |
| September 2026 Term Loan | September 7, 2023 | September 8, 2026 | $ 89.4 |
| December 2026 Term Loan | December 12, 2018 | December 11, 2026 | $ 300.0 |
| 2027 Debentures | June 4, 2020 | June 4, 2027 | $ 500.0 |
| 2028 Debentures | August 30, 2021 | August 30, 2028 | $ 500.0 |
| April 2029 Debentures | October 12, 2023 | April 12, 2029 | $ 400.0 |
| October 2029 Debentures | October 4, 2024 | October 4, 2029 | $ 250.0 |
| 2030 Debentures | December 18, 2020 | December 18, 2030 | $ 500.0 |
| 2031 Debentures | October 4, 2024 | October 4, 2031 | $ 550.0 |

### Credit Facility

As at December 31, 2024, Granite LP is the borrower under the Credit Facility with a total lender commitment in the amount of $1.0 billion (which may be increased 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, 2029, Granite LP has the option to extend the maturity date by one year to March 31, 2030, subject to the agreement of lenders in respect of a minimum of 66 2/3% of the aggregate amount committed under the Credit Facility. 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. Interest on drawn amounts is calculated based on an applicable margin determined by reference to the external credit rating of Granite REIT, as is a commitment fee in respect of undrawn amounts. The Credit Facility is guaranteed by Granite REIT and Granite GP. Although Granite LP is the borrower under the Credit Facility, the financial covenants must be satisfied on the basis of the consolidated combined financial statements of Granite REIT.

As at December 31, 2024, Granite LP had no amounts drawn (2023 - nil) on the Credit Facility and $2.8 million (2023 - $2.9 million) in letters of credit issued against the Credit Facility. At December 31, 2024, Granite was in compliance with all of the covenants.

### Term Loans

On December 12, 2018, Granite LP entered into the December 2026 Term Loan. The initial maturity date of the December 2026 Term Loan was December 12, 2025. On November 27, 2019, Granite extended the December 2026 Term Loan for one year, on the same terms, to mature on December 11, 2026. The December 2026 Term Loan was available in Canadian dollar, US dollar or Euro-denominated funds in one drawdown and is fully prepayable without penalty. Any amount repaid may not be re-borrowed. Interest on drawn amounts is calculated based on CORRA plus an applicable margin determined by reference to the external credit rating of Granite LP. The December 2026 Term Loan's interest was initially based on CDOR plus an applicable margin, but as a result of the cessation of the publication of CDOR on June 28, 2024 and the Canadian financial benchmark being replaced by CORRA, on February 8, 2024, Granite amended the December 2026 Term Loan to update the benchmark rate in the

agreement from CDOR to CORRA, including a fixed spread for the basis difference between CDOR and CORRA, without any economic impact. The December 2026 Term Loan is guaranteed by Granite REIT and Granite GP. Although Granite LP is the borrower under the December 2026 Term Loan, the financial covenants must be satisfied on the basis of the consolidated financial statements of Granite REIT. On December 12, 2018, Granite LP drew the full $300.0 million available under the December 2026 Term Loan. As at December 31, 2024 the full $300.0 million remained outstanding under the December 2026 Term Loan. Subsequent to December 31, 2024, 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.

On November 27, 2019, Granite refinanced its existing 2.202% cross currency interest rate swap by terminating it and entering into the 1.355% Swap, under which (i) Granite LP will pay principal of EUR 205.5 million, in exchange for which it will receive $300.0 million on December 11, 2026, and (ii) Granite LP will make monthly Euro-denominated fixed rate interest payments at 1.355% in exchange for which it will receive monthly Canadian dollar-denominated floating rate interest payments calculated based on CORRA plus a margin. Initially, these floating rate interest payments were calculated based on CDOR plus a margin but were likewise amended on February 8, 2024 to CORRA to match the December 2026 Term Loan. Subsequent to December 31, 2024, when Granite refinanced the December 2026 Term Loan with the 2026 Debentures, the effective fixed interest rate of the combination of the 2026 Debentures and the 1.355% Swap became 0.27% per annum for the term of the 2026 Debentures.

On September 7, 2023, Granite LP entered into the September 2026 Term Loan. The maturity date of the September 2026 Term Loan is September 8, 2026. The September 2026 Term Loan was available in Euros in one drawdown and is fully prepayable without penalty. Any amount repaid may not be re-borrowed. Interest on drawn amounts is calculated based on EURIBOR plus a margin. The September 2026 Term Loan is guaranteed by Granite REIT and Granite GP. Although Granite LP is the borrower under the September 2026 Term Loan, the financial covenants must be satisfied on the basis of the consolidated combined financial statements of Granite REIT. On September 7, 2023, Granite LP drew the full EUR 70.0 million available under the September 2026 Term Loan. On December 10, 2024, Granite LP prepaid EUR 10.0 million of principal outstanding with no prepayment penalty. As at December 31, 2024, EUR 60.0 million of principal remained outstanding under the September 2026 Term Loan.

On September 8, 2023, Granite LP entered into the 4.3325% Swap, under which Granite LP will make monthly fixed rate interest payments at 4.3325% in exchange for which it will receive monthly floating rate interest payments calculated based on EURIBOR plus the margin (which will completely offset the interest payable under the September 2026 Term Loan). On December 10, 2024, in conjunction with the partial prepayment of the September 2026 Term Loan described above, Granite LP terminated a EUR 10.0 million principal portion of the 4.3325% Swap and settled the related mark-to-market liability.

**Debentures**

On June 4, 2020, Granite LP issued the 2027 Debentures under the 2020 First Indenture. The $500.0 million aggregate principal amount of 3.062% Series 4 senior unsecured debentures are due June 4, 2027.

On June 4, 2020, Granite LP entered into the 2.964% Swap, under which Granite LP will pay principal of US$370.3 million in exchange for which it will receive $500.0 million on June 4, 2027. Pursuant to the 2.964% Swap, Granite LP will make semi-annual US dollar-denominated

fixed rate interest payments at 2.964% in exchange for which it will receive semi-annual Canadian dollar-denominated fixed rate interest payments at 3.062% (which will completely offset the interest payable under the 2027 Debentures).

On December 18, 2020, Granite LP issued the 2030 Debentures under the 2020 Second Indenture. The $500.0 million aggregate principal amount of 2.378% Series 5 senior unsecured debentures are due December 18, 2030.

On December 18, 2020, Granite LP entered into the 1.045% Swap, under which Granite LP will pay principal of EUR 319.4 million in exchange for which it will receive $500.0 million on December 18, 2030. Pursuant to the 1.045% Swap, Granite LP will make semi-annual Euro-denominated fixed rate interest payments at 1.045% in exchange for which it will receive semi-annual Canadian dollar-denominated fixed rate interest payments at 2.378% (which will completely offset the interest payable under the 2030 Debentures).

On August 30, 2021, Granite LP issued the 2028 Debentures under the 2021 Indenture. The $500.0 million aggregate principal amount of 2.194% Series 6 senior unsecured debentures are due August 30, 2028.

On August 30, 2021, Granite LP entered into the 2.096% Swap, under which Granite LP will pay principal of US$397.0 million in exchange for which it will receive $500.0 million on August 30, 2021. Pursuant to the 2.096% Swap, Granite LP will make semi-annual US dollar-denominated fixed rate interest payments at 2.096% in exchange for which it will receive semi-annual Canadian dollar-denominated fixed rate interest payments at 2.194% (which will completely offset the interest payable under the 2028 Debentures).

On February 3, 2022, Granite terminated $350.0 million of a total $500.0 million principal of the 2.096% Swap. Simultaneously, Granite entered into the 0.536% Swap, a new $350.0 million cross- currency interest rate swap maturing August 30, 2028 to exchange the Canadian dollar-denominated principal and interest payments of the 2028 Debentures for Euro-denominated principal and interest payments at a fixed interest rate of 0.536%. Upon termination, Granite paid $6.6 million to settle the mark-to-market liability relating to the $350.0 million principal portion of the 2.096% Swap.

On October 12, 2023, Granite LP issued the April 2029 Debentures under the 2023 Indenture. The $400.0 million aggregate principal amount of 6.074% Series 7 senior unsecured debentures are due April 12, 2029.

On October 12, 2023, Granite LP entered into the 4.9285% Swap, under which Granite LP will pay principal of EUR 277.7 million in exchange for which it will receive $400.0 million on April 12, 2029. Pursuant to the 4.9285% Swap, Granite LP will make semi-annual Euro-denominated fixed rate interest payments at 4.9575% in exchange for which it will receive semi-annual Canadian dollar-denominated fixed rate interest payments at 6.103% (which will more than completely offset the interest payable under the April 2029 Debentures which have a coupon of 6.074%, thereby resulting in an effective interest rate of 4.9285% for the five and a half-year term of the April 2029 Debentures).

On October 4, 2024, Granite LP issued the October 2029 Debentures under the 2024 First Indenture. The $250.0 million aggregate principal amount of 3.999% Series 8 senior unsecured debentures are due October 4, 2029.

On October 4, 2024, Granite LP entered into the 3.494% Swap, under which Granite LP will pay principal of EUR 167.4 million in exchange for which it will receive $250.0 million on October 4,

2029. Pursuant to the 3.494% Swap, Granite LP will make semi-annual Euro-denominated fixed rate interest payments at 3.494% in exchange for which it will receive semi-annual Canadian dollar-denominated fixed rate interest payments at 3.999% (which will completely offset the interest payable under the October 2029 Debentures).

On October 4, 2024, Granite LP issued the 2031 Debentures under the 2024 Second Indenture. The $550.0 million aggregate principal amount of 4.348% Series 9 senior unsecured debentures are due October 4, 2031.

Subsequent to December 31, 2024, on February 4, 2025, Granite LP issued the 2026 Debentures under the 2025 Indenture. The $300.0 million aggregate principal amount of the floating rate Series 10 senior unsecured debentures are due December 11, 2026.

Each series of Debentures rank equally with all of Granite REIT's and Granite GP's existing and future unsubordinated and unsecured indebtedness and are fully and unconditionally guaranteed by Granite REIT and Granite GP as to the payment of principal, premium (if any) and interest thereon and certain other amounts when and as the same become due and payable pursuant to its corresponding Indenture. Pursuant to the Indentures, various financial covenants must be satisfied, which are tested on the basis of the consolidated combined financial statements of Granite REIT. BNY Trust Company is the trustee for the Debentures. As at December 31, 2024, all Debentures remained outstanding.

For further details relating to the attributes and characteristics of the Debentures, including provisions relating to payments of interest and principal, redemption and purchase for cancellation, covenants, successor companies, defeasance, modification and waiver, please see the full text of the trust indenture entered into by Granite LP dated October 2, 2013, which provides for the issuance of one or more series of unsecured debt securities of Granite LP by way of supplemental indentures and the supplemental indentures thereto, including the supplemental indentures that form part of the Indentures all of which are available on SEDAR+ at www.sedarplus.ca.

**Credit Rating**

The credit rating for Granite's Debentures as of the date of this Annual Information Form is as follows:

| Credit Rating | |
|---|---|
| | Morningstar DBRS |
| Debentures & Issuer Rating | BBB (high) |
| Outlook | Stable |
| Date of Latest Rating Confirmation | 26-Mar-24 |

As of February 26, 2025, the Debentures each have an investment grade rating of ''BBB (high)'' with a ''Stable'' trend from Morningstar DBRS as of the date of their latest rating confirmation. Ratings may be subject to revision or withdrawal at any time by the rating organization.

According to the Morningstar DBRS rating system, long-term debt rated BBB (high) is of adequate credit quality. The ability and capacity to meet the payment of financial obligations is considered acceptable though Granite may be vulnerable to future events. The Morningstar DBRS long-term rating scale provides an opinion on the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued (risk of default). Ratings are based on quantitative and qualitative considerations relevant to

the issuer and range from AAA to D; all rating categories other than AAA and D also contain subcategories ‘‘(high)’’ and ‘‘(low)’’ with the absence of either designation indicating that the rating is in the middle of the category. A BBB (high) rating is the fourth highest rating out of the ten major levels of Morningstar DBRS’ rating scale and is at the top of the range of such rating.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. A rating accorded to any securities 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 ratings. To Granite’s knowledge, as of February 26, 2025, there was no announcement or proposed announcement that was to be made by a rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned. There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by the rating agency if in its judgment circumstances so warrant.

Granite has made customary payments of rating fees to Morningstar DBRS in connection with the above-mentioned ratings assigned to the Debentures and will continue to make such payments to Morningstar DBRS in the ordinary course from time to time in connection with the confirmation of such ratings and future offerings of certain debt securities of Granite, if any. No other payments were made to Morningstar DBRS in respect of any other services provided to Granite by Morningstar DBRS within the last two years.

Prior to January 16, 2025, Granite was also rated by Moody's. Moody's withdrew all credit ratings of Granite on January 16, 2025 at Granite's request. The outlook prior to the withdrawal was stable.

## DISTRIBUTION AND DIVIDEND POLICY

### Distribution Policy of Granite REIT

Pursuant to the Declaration of Trust, Granite REIT may make distributions as declared from time to time by the Trustees. Any distributions declared in respect of a calendar month (or such other period as determined by the Trustees) will be paid to Unitholders of record as at the close of business on the last business day of the calendar month immediately preceding the month in which the distribution is to be paid (or such other time and date fixed by the Trustees in accordance with the Declaration of Trust). The distribution for any applicable period will be paid on or about the 15th day of the immediately following month (or on such other date as determined by the Trustees in their discretion). In addition, the Declaration of Trust provides that the total amount of distributions due and payable on or before December 31 of any calendar year shall not be less than the amount necessary to ensure that Granite REIT will not be liable to pay income tax under Part I of the Tax Act for such year. The amount, if any, which is required to be distributed to comply with the preceding sentence shall be due and payable, on the earlier of the last distribution date in respect of each year and December 31 of such year, to Unitholders of record on that date, and such amount will be payable in cash unless the Trustees determine in their absolute discretion to pay such amount in Units.

Where the Trustees determine that Granite REIT does not have available cash in an amount sufficient to pay the full amount of any distribution or where the Trustees otherwise determine in their absolute discretion that all or a portion of a distribution should not be paid in cash, the payment may, at the option of the Trustees, include the issuance of additional Units, or fractions of Units, if necessary, having a fair market value as determined by the Trustees equal to the difference between the amount of such distribution and the amount of cash which either has been determined by the Trustees in their absolute discretion to be available, or which the Trustees have otherwise determined shall be distributed in their absolute discretion, as the

case may be, for the payment of such distribution. The Declaration of Trust further provides that immediately after a distribution made in Units in accordance with the foregoing, the number of outstanding Units will be consolidated so that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the Unit distribution.

Currently, Granite REIT intends to make monthly distributions in the estimated amount of $0.2833 per Unit.

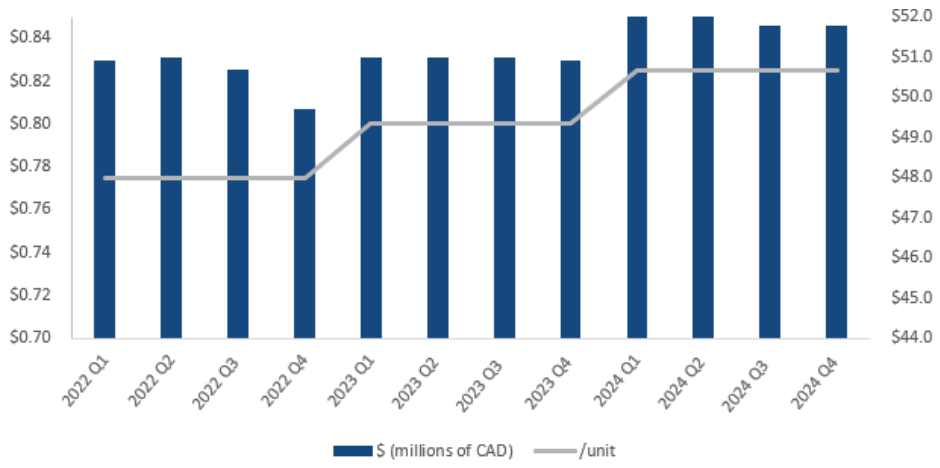
The portion of distributions by Granite REIT for 2025, which will be income for Canadian income tax purposes, is estimated to be in the range of 75% to 100%. This estimate could change by the end of 2025.

**Distributions of Granite REIT**

The following charts summarize cash distributions paid by Granite REIT per Stapled Unit for the period up to and including September 2024 and per Unit for the period thereafter in each of the previous three years:

| Total Distributions by Year | | |
|---|---|---|
| Year | ($ millions of CAD) | $/unit |
| 2022 | 202.3 | 3.10 |
| 2023 | 203.9 | 3.20 |
| 2024 | 207.9 | 3.30 |

**Historical Monthly Distributions by Quarter**



## MARKET FOR SECURITIES

### Trading Price and Volume

The Units are listed for trading on the TSX under the symbol "GRT.UN" and on the NYSE under the symbol "GRP.U". The volume of trading and the high and low trading price of the Units on the TSX for each month of the year ended December 31, 2024 are set forth in the following table:

**Trading Price and Volume**

| | Units | | |
|---|---|---|---|
| TSX | High | Low | Traded |
| 2024 | ($) | ($) | Volume |
| January | 78.53 | 72.15 | 1,536,818 |
| February | 76.79 | 70.36 | 1,536,300 |
| March | 78.37 | 71.63 | 1,700,031 |
| April | 77.87 | 67.915 | 2,115,300 |
| May | 72.07 | 66.10 | 2,217,254 |
| June | 69.11 | 64.50 | 1,894,599 |
| July | 76.00 | 66.98 | 1,371,848 |
| August | 77.50 | 69.12 | 1,548,964 |
| September | 82.88 | 75.18 | 1,575,415 |
| October | 82.09 | 74.99 | 1,950,195 |
| November | 77.12 | 73.225 | 1,741,174 |
| December | 75.80 | 68.50 | 1,869,217 |

Source: TSX Datalinx

## TRUSTEES AND MANAGEMENT OF GRANITE

The following table provides the name, province or state and country of residence; the current position, board committee membership (where applicable) and office held with Granite REIT; and the principal occupation (if not with Granite REIT) of each of Granite's current Trustees and officers, as well as the date since which each such individual has served on the board, or was appointed as an officer, of Granite:

| Name, Province/State and Country of Residence | Position and Office Held with Granite REIT | Present Principal Occupation (if not with Granite) | Trustee/Officer Since |
|---|---|---|---|
| KELLY MARSHALL [1]<br>Ontario, Canada | Trustee and Chairman | Corporate Director | June 15, 2017 |
| PETER AGHAR[2]<br>Ontario, Canada | Trustee | Principal of Crux Capital Corporation | June 15, 2017 |
| ROBERT D. BROUWER[3]<br>Ontario, Canada | Trustee | Corporate Director | February 15, 2024 |
| REMCO DAAL[5]<br>British Columbia, Canada | Trustee | President of Canadian Real Estate for QuadReal Property Group | June 15, 2017 |
| KEVAN GORRIE<br>Ontario, Canada | President and Chief Executive Officer and Trustee | | August 1, 2018 |
| FERN GRODNER[5]<br>Washington State, U.S | Trustee | Corporate Director | June 13, 2019 |
| AL MAWANI[3]<br>Ontario, Canada | Trustee | Principal of Exponent Capital Partners Inc. | June 15, 2017 |
| SHEILA A. MURRAY[6]<br>Ontario, Canada | Trustee | Corporate Director | June 13, 2019 |
| EMILY PANG[4]<br>Ontario, Canada | Trustee | Chief of Staff and Chief Operating Officer, Corporate Secretary SickKids Foundation | August 4, 2021 |
| JENNIFER WARREN[1]<br>New York, U.S. | Trustee | Executive Vice President at M&T Bank | June 14, 2018 |
| TERESA NETO<br>Ontario, Canada | Chief Financial Officer | | July 8, 2019 |
| LORNE KUMER<br>Ontario, Canada | Executive Vice President, Head of Global Real Estate | | February 13, 2010 |
| MICHAEL A. RAMPARAS<br>Ontario, Canada | Executive Vice President, Global Real Estate and Head of Investments | | January 1, 2021 |
| LAWRENCE CLARFIELD<br>Ontario, Canada | Executive Vice President, General Counsel and Corporate Secretary | | January 1, 2022 |

Notes:
(1) Member of the Investment Committee
(2) Chair of the Investment Committee
(3) Member of the Audit Committee
(4) Chair of the Audit Committee
(5) Member of the Compensation, Governance and Nominating Committee
(6) Chair of the Compensation, Governance and Nominating Committee

As at December 31, 2024, the Trustees and executive officers of Granite REIT, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 275,946 Units of Granite REIT, representing approximately 0.44% of the total number of Units outstanding.

The term of office of each Trustee expires at the time of Granite REIT's annual general meeting, which for 2025 is expected to be held on June 5, 2025. In the event that successors are not elected, the Trustees will remain in office until their successors are elected or appointed in accordance with applicable law and the Declaration of Trust of Granite REIT.

Officers serve at the pleasure of the Trustees. Certain background concerning the current Trustees and officers of Granite REIT, including their principal occupations over the last five years, is summarized below.

### *Kelly Marshall — Chairman of Granite REIT*

Mr. Marshall acts as a financial advisor to institutional clients in Canada and the United States, assisting leadership teams with the sourcing and structuring of debt and equity capital. Mr. Marshall is currently an advisor for Onex Falcon, Advisor to Willowdale Asset Management, trustee to Fax Capital, Chair of Pomerleau Capital and Partner Longhouse Infrastructure Capital Partners.

From November 2017 to September 2020, Mr. Marshall served as the Executive Vice President of Strategic Partnerships at Ontario Municipal Employee Retirement System (''OMERS'') where he led the growth of the pension fund's strategic partnerships, including its relationships with third-party organizations, co-investors and other finance partners. Prior to OMERS, Mr. Marshall served as Managing Partner, Corporate Finance at Brookfield Asset Management Inc. (''Brookfield Management'') where he was responsible for the global corporate finance activities and oversaw all financings in each core region and business line. Throughout his 16 years with Brookfield Management, he completed in excess of US$100 billion in debt and equity transactions. Those transactions involved corporate and asset level issuances in North and South America, Europe, UK, Australia and India for all of Brookfield Management's real estate, renewable power and infrastructure businesses.

Mr. Marshall has over 25 years of finance experience, which was initially developed working for Olympia and York Developments Ltd. at Canary Wharf. This was followed by periods of employment with Citibank, in its real estate asset management group, and then two prominent U.S.-based real estate finance investment companies, Fortress Investment Group and Lonestar Opportunity Fund.

Mr. Marshall graduated from Wilfrid Laurier University with an Honours degree in Business Administration.

### *Peter Aghar — Trustee of Granite REIT*

Mr. Aghar is the founder and President of Crux Capital Corporation ("Crux"), a boutique value-add real estate partner, developer and venture capital investor active across Canada. Since 2013, Crux and its partners have purchased, developed or have under development over five million square feet of commercial and residential property. Mr. Aghar has a successful 25-year track record as a value-add investor on an institutional scale, having led more than 100 real estate transactions totaling far in excess of $10 billion in value. Mr. Aghar's transaction experience consists of investments in Canada, the United States and internationally, including equity investments, developments, joint ventures, structured and mezzanine debt, open and closed end private equity funds as well as the privatization and launch of several public entities.
Mr. Aghar was formerly President and Chief Investment Officer of KingSett Capital and a Managing Director of Institutional Accounts at GE Capital Real Estate.

Mr. Aghar is a board member of a number of companies and investment funds as well a member of Young Presidents' Organization.

He is a CPA, CMA and is a graduate of the University of Waterloo with an Honors degree in Mathematics.

### *Robert D. Brouwer — Trustee of Granite REIT*

Mr. Brouwer has over 30 years of experience in a range of senior leadership roles with KPMG LLP, most recently serving as Vice Chairman, KPMG Canada and Regional Head of Markets for KPMG in the Americas through 2023. He is currently Chair of the Board of KPMG Middle East. His previous roles have included Canadian Managing Partner, Clients and Markets, and Greater

Toronto Area Managing Partner. He was previously KPMG Canada's senior accounting technical partner and for many years National Director of KPMG's Mining Practice in Canada. He also served as executive relationship partner and audit partner for a wide range of public and private companies with operations in Canada and internationally, and in a range of industries.

Mr. Brouwer's community involvement has included serving on a number of arts and not-for-profit boards, and the advancement of corporate governance in Canada. He has served on the Board of the Institute of Corporate Directors, as Chair of the ICD Ontario Chapter Executive, and as faculty for the ICD Directors Education Program.

Mr. Brouwer is an FCPA, has a BA from the University of Toronto, and is a member of the Institute of Corporate Directors (ICD.D).

### *Remco Daal — Trustee of Granite REIT*

Mr. Daal has been President of Canadian Real Estate for QuadReal Property Group ("QuadReal") since its establishment in June 2016, and is responsible for the company's domestic operations, including investment, development, and the management operation of the Canadian property portfolio. QuadReal is a global real estate company owned by the British Columbia Investment Management Corporation (BCI), one of Canada's largest institutional investors, and has managed assets valued at over $73.8 billion.

From 2000 to 2016, Mr. Daal worked at BentallGreenoak, ("Bentall") one of North America's largest real estate investment advisors and Canada's largest property manager, most recently as President and Chief Operating Officer, from 2009 to 2016. Prior to joining Bentall, Mr. Daal held senior positions at CIBC Development Corporation and a private Toronto-based development company. Mr. Daal has over 30 years of experience in the real estate sector.

Mr. Daal holds a Bachelor of Commerce degree from Wilfrid Laurier University and a Master of Business Administration degree from European University.

### *Fern Grodner — Trustee of Granite REIT*

With over 25 years of corporate real estate experience, Ms. Grodner most recently served as Senior Manager, Global Real Estate and Facilities for Amazon.com from 2014 through 2019. At Amazon.com, Ms. Grodner was responsible for large, complex real estate transactions in the Americas in which she oversaw transactions totaling in excess of US$4 billion. Her expertise also extends to strategic planning, design, and construction of corporate space.

Prior to joining Amazon, Ms. Grodner spent seven years with JDS Uniphase Corporation overseeing all real estate aspects of an international portfolio of office and manufacturing sites. From 2002 to 2007, Ms. Grodner served as Vice President, Corporate Real Estate, at Wachovia Corporation, responsible for the growth of Wachovia Securities locations in the Western United States. During the early 2000 tech boom, Ms. Grodner served as Director of Real Estate for Relera, Inc. with a focus on co-location data centers. Ms. Grodner began her career with Bank of America Corporation, Corporate Real Estate, where during her seven-year tenure she was responsible for site selection, transactions, design, and construction for the bank's portfolio.

Ms. Grodner holds a Masters of Corporate Real Estate (MCR) and Senior Leader Corporate Real Estate (SLCR) designations from CoreNet Global, an international non-profit corporate real estate association for executives who manage the real estate assets of large corporations. She also served on the CoreNet Global Bay Area Chapter board for four years.

Ms. Grodner graduated from Indiana University with Honors with a degree in Psychology.

### *Al Mawani — Trustee of Granite REIT*

Mr. Mawani is currently a Principal of Exponent Capital Partners Inc., a private equity investor and real estate advisory firm. Mr. Mawani has over 35 years of experience in the commercial real estate industry. His 15-year C-suite experience includes: 11 years as Executive Vice President & Chief Financial Officer of then TSX-listed Oxford Properties Group from 1989 to 2001, President & Chief Executive Officer of TSX-listed Calloway/Smart Centres REIT from 2011 to 2013, and President & CEO of privately-owned Rodenbury Investments in 2015 and 2016. He was an executive at a private equity investment firm from2002 to 2004.

Mr. Mawani has served on many TSX-listed boards since 2002 including serving as chair of audit committees and governance and compensation committees. Mr. Mawani has also been a director of Extendicare Inc. from December 2017 to February 27, 2025 and a trustee of First Capital Real Estate Investment Trust (formerly First Capital Realty Inc.) since May 2018.

Mr. Mawani is a CPA and CA and has a Master of Business Administration from University of Toronto and a Masters in Law from Osgoode Hall Law School.

### *Sheila Murray — Trustee of Granite REIT*

Ms. Murray is the former President of CI Financial Corp. ("CI"), a position she held from 2016-2019. Previously, she had been Executive Vice-President, General Counsel and Secretary of CI since 2008, following a 25-year career at Blake, Cassels & Graydon LLP, where she practiced securities law with an emphasis on mergers and acquisitions, corporate finance and corporate reorganizations. Ms. Murray played a key role in directing the operations and setting corporate strategy for CI and its operating companies, including CI Investments Inc. and Assante Wealth Management. Her role included leading CI's mentoring program, which fosters the advancement of high-potential female employees.

Ms. Murray is past Chair of the Dean's Council at Queen's University Law School and has taught Securities Regulation at Queen's University and Securities Regulation and Corporate Finance at the University of Toronto's Global Professional Master of Laws in Business Law Program for several years.

Ms. Murray is Chair of the board of Teck Resources Limited and a director of BCE Inc. and Bell Canada and has been a director of the SickKids Foundation, the Toronto Symphony Foundation and a director of a number of other private and public companies.

Ms. Murray received her Bachelor of Commerce and Bachelor of Laws degrees from Queen's University.

### *Emily Pang — Trustee of Granite REIT*

Ms. Pang is currently the Chief of Staff, Chief Operating Officer and Corporate Secretary for the SickKids Foundation. Ms. Pang is a seasoned business executive with a diverse range of experience, including strategy, accounting and taxation, communications and investor relations, human resource matters, data integrity and reporting, as well as governance. She has held roles both in Canada and abroad in the banking, consulting and postal/logistics industries, driving and implementing transformational change in large organizations.

Ms. Pang is a CPA CA who earned a Bachelor of Commerce degree from Queen's University. She is also a graduate of the joint Kellogg-Schulich MBA program and holds the ICD.D designation from the Institute of Corporate Directors.

Ms. Pang currently serves on the board of Quantum Valley Ideas Laboratories, a not-for-profit organization.

### *Jennifer Warren — Trustee of Granite REIT*

Ms. Warren is Senior Executive Vice President, Institutional Client Services at M&T Bank/ Wilmington Trust, a role she has held since January 2022. Wilmington Trust is a leader in corporate trust services, delivering a wide range of solutions and services across major asset classes and financing structures in the US, UK and Europe. Until October 2021, Ms. Warren served as CEO of Issuer Services, North America at Computershare, a global leader in diversified financial, corporate governance and stakeholder communication for public and private companies. Prior to this role, Ms. Warren was with Canadian Imperial Bank of Commerce (from 2006 to 2017), first as General Counsel (Canada) and finally as Managing Director and Head, U.S. Region and President and CEO of CIBC World Markets Corp.

Ms. Warren began her career as a business lawyer with Blake, Cassels & Graydon LLP and from there joined Rogers Communications Inc., where she worked for a decade in increasingly senior roles as a member of Rogers Cable management and the RCI deal team.

Ms. Warren has been a director of a number of U.S. and Canadian private companies. Today, she sits on the board of United Way of New York City.

Ms. Warren received her Bachelor of Science and Bachelor of Laws from the University of Toronto.

### *Kevan Gorrie — Trustee, President and Chief Executive Officer of Granite REIT*

Mr. Gorrie joined Granite as its President and Chief Executive Officer on August 1, 2018 and was appointed a Trustee of Granite REIT effective August 1, 2018. With over 20 years of corporate real estate experience in Canada, the United States and Germany, Mr. Gorrie most recently served as the President and Chief Executive Officer of Pure Industrial Real Estate Trust (‘‘PIRET’’) where he successfully grew and led the business until its strategic sale to Blackstone Property Partners and Ivanhoe´ Cambridge in May, 2018.

Prior to joining PIRET, Mr. Gorrie led the industrial business for Oxford Properties Group, the real estate investment arm of a major Canadian pension fund, where he built a platform comprising 13 million SF of income producing properties and development projects across major Canadian industrial markets, encompassing acquisition, asset management, leasing, operations and development.

Mr. Gorrie is a graduate of the civil engineering program at the University of Toronto. He currently serves on the board of REALPAC and is a member of the Institute of Corporate Directors (ICD.D).

### *Teresa Neto — Chief Financial Officer of Granite REIT*

Ms. Neto joined Granite REIT as Chief Financial Officer on July 8, 2019 and is responsible for Granite REIT’s financial planning, accounting & reporting, tax, treasury and corporate finance activities.

Ms. Neto has over thirty-five years of varied business experience, including fifteen years as a CFO for publicly-traded real estate investment trusts in Canada, most recently with Pure Industrial Real Estate Trust and prior to that at Northwest Healthcare Properties REIT.

Ms. Neto holds a Chartered Professional Accountant, C.A. designation and has a B.A. from Laurentian University. In January 2022, Ms. Neto was appointed a Trustee at BSR REIT and is a member of the Institute of Corporate Directors and holds the ICD.D designation.

### *Lorne Kumer — Executive Vice President, Head of Global Real Estate of Granite REIT*

Mr. Kumer oversees all aspects of Granite property operations related to Granite's global real estate platform including asset management, acquisitions, dispositions, and development. He is also responsible for the global Magna International relationship.

Mr. Kumer has over 30 years of experience in the real estate industry working for both public and private development companies. His experience includes property development, leasing, land planning and construction. For over 20 years, Mr. Kumer has worked for Granite and Magna in various roles including the management of Granite's North American income-producing properties portfolio. Prior to joining Granite, Mr. Kumer held senior positions in the real estate industry including Vice President at C. Hunter Real Estate Corporation in Toronto and Vice President with Peregrine Hunter Properties Ltd.

Mr. Kumer holds a Bachelor of Arts (Honours), business administration, from the Richard Ivey School of Business at the University of Western Ontario.

### *Michael A. Ramparas — Executive Vice President, Global Real Estate and Head of Investments of Granite REIT*

Mr. Ramparas joined Granite in February 2012 and as Executive Vice President, Global Real Estate and Head of Investments, he is responsible for managing Granite's portfolio performance and overseeing investments globally.

Prior to joining Granite, Mr. Ramparas was Vice President of Hexagon Capital Partners, a real estate advisory firm focused on executing a strategic plan for assets owned by a global multi-billion dollar corporation. Previously, he served as a Senior Analyst at Fortress Investment Group LLC, a New York-based private equity and hedge fund company. Mr. Ramparas has over 20 years of relevant work experience with focus on real estate and equity investments, corporate strategy, underwriting, operations and valuations.

Mr. Ramparas graduated from the University of Western Ontario with a Bachelor of Arts in Economics.

### *Lawrence Clarfield — Executive Vice President, General Counsel and Corporate Secretary of Granite REIT*

Mr. Clarfield oversees all of Granite's legal matters including investments, corporate governance and regulatory compliance.

Previously, Mr. Clarfield was in private practice and prior to joining Granite in 2012 was legal counsel at North American Development Group. Mr. Clarfield has more than 15 years of diversified in-house experience advising on leasing, development, financings, operations and a broad range of cross-border transactions and corporate matters.

Mr. Clarfield is admitted to the Bar in Ontario and holds a Bachelor of Laws degree from Osgoode Hall and a Bachelor of Arts (Hons.) from York University.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of Granite, except as set out below, no Trustee or executive officer of Granite:

- is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including Granite REIT) that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days:
- that was issued while the Trustee or executive officer was acting in the capacity as trustee, chief executive officer or chief financial officer; or
- that was issued after the Trustee or executive officer ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, trustee, chief executive officer or chief financial officer.

To the knowledge of Granite, except as set out below, no Trustee or executive officer of Granite or a Unitholder holding a sufficient number of securities to affect materially the control of Granite REIT, respectively:

(i) is, as at the date of this AIF or within ten years before the date of the AIF has been, a director, trustee or executive officer of any company (including Granite REIT) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(ii) has, within ten years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, trustee, executive officer or shareholder; or

(iii) been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**Potential Conflicts of Interest**

Remco Daal is President, Canadian Real Estate of QuadReal Property Group (‘‘Quadreal’’) and a member of the QuadReal Investment Committee. There may be market investment opportunities that both Granite and QuadReal pursue.

## AUDIT COMMITTEE

### Composition of the Audit Committee

Granite REIT has a standing audit committee (the "Audit Committee''), currently composed of Ms. Pang (Chair) and Messrs. Brouwer and Mawani, each of whom has been determined by the Trustees to be ''independent'' and ''financially literate'', as such terms are defined in Multilateral Instrument 52-110 — *Audit Committees* and ''independent'' under the corporate governance standards of the NYSE applicable to audit committees. As well, it has been determined that each of Ms. Pang and Messrs. Brouwer and Mawani is an ''audit committee financial expert'' within the meaning of the rules of the SEC under the Sarbanes-Oxley Act of 2002. The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as a member of the Audit Committee is set forth in their respective biographies above under the heading ''Trustees and Management of Granite REIT''.

### Pre-Approval Policies and Procedures

The Audit Committee is responsible for the appointment, compensation, retention and oversight of the work of the external auditor, Deloitte LLP for fiscal 2024. The Audit Committee has established a policy to pre-approve all audit and permitted non-audit services provided to Granite by the external auditor, as well as the related fees to be paid to the external auditor.

Under such policy, the respective Audit Committee shall approve in advance any retainer of the external auditor to provide any non-audit service to Granite REIT in accordance with applicable law, the rules and regulations of the NYSE, and policies and procedures approved by the Trustees. The Audit Committee may delegate pre-approval authority to any of its members. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full committee at its next scheduled committee meeting.

### Audit Committee's Charter

The charter of the Audit Committee of Granite REIT is attached as Appendix A to this Annual Information Form. The charter is also available at www.granitereit.com.

### Audit Fees

The following table sets forth the fees billed to Granite by Deloitte LLP and its affiliates for professional services rendered for the fiscal years ended December 31, 2024 and 2023.

| Audit Fees | | |
|---|---|---|
| **For the years ended December 31,** | **2024** | **2023** |
| Audit Fees[1] | $1,394,185 | $1,477,688 |
| Audit-Related Fees[2] | $76,932 | $75,172 |
| Tax Fees | $10,409 | $— |
| All Other Fees[3] | $— | $— |
| Total | $1,481,526 | $1,552,860 |

Notes:
(1) Audit Fees related to the annual audit and quarterly review of Granite's consolidated combined financial statements and services that are normally provided in connection with Granite's statutory and regulatory filings, including the auditor attestation requirements of the Sarbanes-Oxley Act. This category also includes fees for comfort letters, consents and review of certain documents filed with securities regulatory authorities.
(2) Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of Granite's financial statements and that are not included in category (1) above. They include fees for the audit of certain subsidiary financial statements.
(3) All Other Fees capture fees in respect of all services not falling under any of the foregoing categories.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no Trustee or executive officer of Granite, nor any person or company that beneficially owns, or controls or directs, directly or indirectly, more than ten percent of any class or series of Granite's voting securities, or an associate or affiliate thereof, has any material interests, directly or indirectly in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Granite.

## AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of Granite REIT are Deloitte LLP, located at Bay Adelaide Centre, East Tower, 8 Adelaide Street West, Suite 200, Toronto, Ontario, M5H 0A9. The registrar and transfer agent of is Computershare Investor Services Inc. at its principal offices in Toronto, Ontario. The co-transfer agent and co-registrar of Units in the United States is Computershare Trust Company, N.A. at its offices in Louisville, Kentucky.

Deloitte LLP is independent of Granite REIT within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario, and within the meaning of the United States Securities Act of 1933, as amended and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States) (PCAOB).

## LEGAL PROCEEDINGS

Granite is party to various legal actions and claims arising in the ordinary course of its business, such as litigation with contractors, suppliers, third party vendors, governmental authorities, sellers and purchasers. Granite believes that none of these actions or claims, either individually or in combination, has had or, in the case of current actions and claims, will have, a material adverse effect on its financial condition or results of operations.

## MATERIAL CONTRACTS

### Agreements in Connection with the 2011 Arrangement

In connection with the 2011 Arrangement, Granite Co., the Stronach Shareholder and the Stronach Trust entered into the 2011 Arrangement Agreement on January 31, 2011. Under the 2011 Arrangement Agreement, the parties agreed to effect certain transactions in connection with the implementation of the 2011 Arrangement. The 2011 Arrangement Agreement contains covenants, representations and warranties of and from each of Granite, the Stronach Shareholder and the Stronach Trust and various conditions precedent, both mutual and with respect to each party. Concurrently with the entering into of the 2011 Arrangement Agreement, each of Granite Co., the Stronach Shareholder, the Stronach Trust and the Initiating Shareholders entered into the 2011 Agreement with Initiating Shareholders. The 2011 Agreement with the Initiating Shareholders, among other things, provides the Initiating Shareholders with the ability to compel Granite, the Stronach Shareholder and the Stronach Trust to comply with certain obligations under the 2011 Arrangement Agreement. Each of the 2011 Arrangement Agreement and the Agreement with Initiating Shareholders are described in detail in the Management Information Circular of Granite Co. dated February 22, 2011 and such descriptions are hereby incorporated by reference herein. Copies of the 2011 Arrangement Agreement and the Agreement with Initiating Shareholders are available on SEDAR+ at www.sedarplus.ca.

Immediately prior to the implementation of the 2011 Arrangement, a transfer agreement between Granite Co., the Stronach Shareholder, certain subsidiaries of the Stronach Shareholder and the Stronach Trust providing for the transfer to that purchaser of certain assumed liabilities relating to the Assets, substantially in the form attached as Schedule C to the 2011 Arrangement Agreement was declared effective. In addition, also prior to the implementation of the 2011 Arrangement, Granite Co. entered into a Forbearance Agreement pursuant to which Granite became restricted from entering into the horseracing or gaming business, making any debt or equity investment in, or otherwise giving financial assistance to, any entity primarily engaged in the horseracing or gaming business or entering into any transactions with, or providing any services or personnel to, any entity primarily engaged in the horseracing or gaming business, substantially in the form attached as Schedule D to the 2011 Arrangement Agreement. Each of the Transfer Agreement and the Forbearance Agreement are described in the Management Information Circular of Granite Co. dated February 22, 2011 and such descriptions are hereby incorporated by reference herein. Copies of the forms of Transfer Agreement and Forbearance Agreement are available on SEDAR+ at www.sedarplus.ca.

### Other Material Contracts

The following additional material contracts have been entered into by Granite and are still in effect:

i. the 2020 First Indenture (as more fully described under the heading “Credit Facility and Indebtedness — Debentures”);

ii. the 2020 Second Indenture (as more fully described under the heading ‘‘Credit Facility and Indebtedness — Debentures”);

iii. the 2021 Indenture (as more fully described under the heading ‘‘Credit Facility and Indebtedness — Debentures”);

iv. the 2023 Indenture (as more fully described under the heading “Credit Facility and Indebtedness — Debentures”);

v. the 2024 First Indenture (as more fully described under the heading “Credit Facility and Indebtedness — Debentures”);

vi. the 2024 Second Indenture (as more fully described under the heading “Credit Facility and Indebtedness — Debentures”); and

vii. the 2025 Indenture (as more fully described under the heading “Credit Facility and Indebtedness — Debentures”).

Copies of the material contracts listed above may be found on SEDAR+ at www.sedarplus.ca.

## ADDITIONAL INFORMATION

Additional information relating to Granite REIT may be found on SEDAR+ at www.sedarplus.ca under its SEDAR+ profile. Additional information, including Trustees’ and executive officers’ remuneration and indebtedness, principal holders of securities and securities authorized for issuance under the equity compensation plans is contained in the joint Management Information Circular/Proxy Statement of Granite REIT and Granite GP dated April 10, 2024 for the joint annual general and special meetings of the Unitholders and GP Shareholders held on June 6, 2024. Additional financial information is provided in the audited consolidated combined financial statements of Granite REIT and related Management’s Discussion and Analysis for the year ended December 31, 2024.

**APPENDIX A**
**GRANITE REAL ESTATE INVESTMENT TRUST**
**AUDIT COMMITTEE CHARTER**

## I. Purpose and Scope

The audit committee (the "Committee") of Granite Real Estate Investment Trust (the "Trust") is a committee of the Board of Trustees (the "Board"). The Committee shall oversee the accounting and financial reporting processes of the Trust, the audits of the Trust's financial statements, and the Trust's risk management procedures, and shall otherwise exercise the responsibilities and duties set out in this Charter.

## II. Membership

### *1. Number of Members*

The Committee shall be composed of three or more members of the Board.

### *2. Audit Committees Commitment Limit*

No member of the Committee shall serve on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and discloses such determination in the Trust's management proxy circular.

### *3. Independence*

Each member of the Committee must be independent in accordance with applicable law and the applicable rules and regulations of the Canadian Securities Administrators, the United States Securities and Exchange Commission, the Toronto Stock Exchange and the New York Stock Exchange and any other regulator or authority having jurisdiction over the Trust from time to time (the "Applicable Requirements"). For the purposes of this Charter, a former full-time CEO of the Trust or any of its subsidiaries will generally not be considered independent absent exceptional circumstances.

### *4. Financial Literacy*

Each member of the Committee shall be financially literate and shall have such accounting or financial management expertise as is required to comply with the Applicable Requirements.

Further, at least one member of the Committee shall have experience as a certified public accountant, chief financial officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer.

### *5. Term*

The members of the Committee shall be appointed by the Board promptly following the completion of each meeting of unitholders at which members of the Board are elected. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board.

***6. Chair***

At the time of the appointment of the members of the Committee, the Board shall appoint a member of the Committee as Chair of the Committee.

**III. Duties and Responsibilities**

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any Applicable Requirements.

***1. Financial Reports***

**(a) General**

The Committee is responsible for overseeing the Trust's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Trust's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Trust. The auditors are responsible for auditing the Trust's annual consolidated financial statements and for reviewing the Trust's unaudited interim financial statements.

**(b) Review of Annual Financial Reports**

The Committee shall review the annual audited financial statements of the Trust (including, as applicable, the annual audited combined financial statements of the Trust and Granite REIT Inc. ("Granite GP")), the external auditor's report thereon and the related management's discussion and analysis of financial condition and results of operation ("MD&A"). After completing its review, if advisable, the Committee shall recommend for Board approval such annual financial statements and the related MD&A.

**(c) Review of Interim Financial Reports**

The Committee shall review the interim financial statements of the Trust (including, as applicable, the interim combined financial statements of the Trust and Granite GP), the external auditor's review report thereon and the related MD&A. After completing its review, if advisable, the Committee shall recommend for Board approval such interim financial statements and the related MD&A.

**(d) Financial Statement Review Considerations**

In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:

i. meet with management and the external auditor to discuss the financial statements and MD&A;

ii. review the disclosures in the financial statements;

iii. review the audit report or review report, if any, prepared by the external auditor;

iv. discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;

v. regularly review the critical accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;

vi. consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

vii. review management's process for formulating significant accounting estimates and the reasonableness of these estimates;

viii. review significant recorded and unrecorded audit adjustments;

ix. review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under applicable accounting principles;

x. review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;

xi. inquire at least annually of management and the auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;

xii. review with the auditors alternative accounting treatments that have been discussed with management;

xiii. review with management any emerging accounting and auditing issues, and their potential effects;

xiv. review with management matters that may have a material effect on the financial statements;

xv. review management's report on the effectiveness of internal controls over financial reporting;

xvi. review the factors identified by management as factors that may affect future financial results;

xvii. review responses received under the Trust's Whistleblower Policy (as defined below); and

xviii. review any other matters related to the Trust's financial statements that are brought forward by the auditors or management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

**(e) Review of Other Financial Disclosures**

The Committee shall review and, if advisable, recommend for Board approval press releases disclosing, or based upon, financial results of the Trust, an annual information form and any other previously undisclosed material financial disclosure in a document that is publicly disseminated and if requested by the Board, financial disclosure in a prospectus or other securities offering document of the Trust.

**(f) Review of Forward-Looking Information**

The Committee shall review and, if requested by the Board, recommend for Board approval any material future-oriented financial information or financial outlook, not derived from approved budget or forecasts, and endeavour to ensure that there is a reasonable basis for drawing any conclusions or making any forecasts and projections set out in such disclosures.

***2. Auditors***

**(a) General**

The Committee shall be responsible for oversight of the work of the auditors, including the external auditor's work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work. The external auditor will report directly to the Committee. When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.

**(b) Nomination and Compensation**

The Committee shall review and, if advisable, select and recommend for Board approval the external auditor to be nominated and the compensation of such external auditor. The Committee shall have ultimate authority to approve the audit engagement terms, including the external auditor's audit plan.

**(c) Resolution of Disagreements**

The Committee shall assess the effectiveness of the working relationship of the Trust's external auditors with management and resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.

The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the auditors, whether or not there is to be a change of auditors, and receive and review all reports prepared by the auditors.

**(d) Discussions with External Auditor**

The Committee shall periodically discuss with the external auditor such matters as are required by applicable auditing standards to be discussed by the external auditor with the Committee.

**(e) Audit Plan**

The Committee shall periodically review a summary of the external auditor's annual audit plan. The Committee shall consider and review with the external auditor any material changes to the scope of the plan.

**(f) Evaluation, Independence and Rotation of External Auditor**

Before the external auditor issues its report on the annual financial statements, the Committee shall review and evaluate the qualifications, performance and independence of the auditors, including the lead partner(s) of the auditors and the senior members of the independent auditor team. In making its evaluation, the Committee shall (i) obtain from the external auditor a formal written statement describing all relationships between the external auditor and the Trust; discuss with the external auditor any disclosed relationships or services that may affect the objectivity and independence of the external auditor; and obtain written confirmation from the external auditor that it is objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the external auditor belongs and other Applicable Requirements; and (ii) take into account the opinions of management and the Trust's internal auditors. The Committee shall present to the Board on its conclusions and any actions taken. The Committee shall also periodically consider whether it is appropriate to adopt a policy of rotating, on a regular basis, the auditors, the lead audit partner or the reviewing audit partner, as applicable.

**(g) Evaluation of Lead Partner**

The Committee shall periodically review the qualifications and performance of the lead partner(s) of the external auditor.

**(h) Requirement for Pre-Approval of Non-Audit Services**

The Committee shall approve in advance any permissible non-audit services to be performed by the auditors for the Trust or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures, and adopt and implement policies for such pre-approval. The Committee shall have ultimate authority to approve all fees and compensation for non-audit services performed by the auditors of the Trust. The Committee shall consider the impact of such services and fees on the independence of the auditor. The Committee may delegate pre-approval authority to any member of the Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

**(i) Approval of Hiring Policies**

The Committee shall review and approve the Trust's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Trust and the Committee shall be responsible for specified reporting and pre-approval functions thereunder.

***3. Internal Controls***

**(a) General**

The Committee shall review the Trust's system of internal controls.

**(b) Establishment, Review and Approval**

The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure, and shall review, evaluate and approve these procedures. The Committee shall periodically consider and review with management and the auditors:

i. the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Trust's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

ii. any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Trust's periodic regulatory filings;

iii. any material issues raised by any inquiry or investigation by regulators;

iv. the Trust's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Trust to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

v. any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

***4. Internal Audit Function***

The Committee shall periodically review and approve the internal audit function, including its plan, budget and resources. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

***5. Whistleblower Reporting Procedures***

The Committee shall establish procedures (the "Whistleblower Policy") for (a) the receipt, retention, and treatment of complaints received by the Trust regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Whistleblower Policy shall also be available for reports of breaches of the Code of Conduct and Ethics. Any such complaints or concerns that are received shall be submitted to the Chair of the Committee and, if the Chair of the Committee determines that the matter requires further investigation, it will engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management to reach a satisfactory conclusion. The Chair of the Committee shall report periodically to the Committee on any complaints or concerns that are received and the Committee shall review investigations and any resolutions of complaints

received and report to the Board thereon. The Committee shall be responsible for approving exceptions to the Whistleblower Policy.

***6. Risk Management***

The Committee shall be responsible for overseeing the identification and assessment of the principal risks to the operations of the Trust, including without limitation, climate-related risks and the establishment and management of appropriate systems to manage such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Trust and to the long-term viability of the Trust. In this regard, the Committee shall require management to report periodically to the Committee, and the Committee shall report periodically to the Board, on the principal risks faced by the Trust and the steps implemented by management to manage these risks.

***7. Compliance with Legal and Regulatory Requirements***

The Committee shall review reports from management members on: legal or compliance matters that may have a material impact on the Trust; the effectiveness of the Trust's compliance policies; and any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified. The Committee shall be responsible for granting waivers to the Code of Conduct and Ethics of the Trust.

***8. Conflicts of Interest and Related Party Transactions***

The Committee shall review the Trust's policies relating to the avoidance of conflicts of interest and monitor conflicts of interest (real or perceived) of members of the Board and management in accordance with the Code of Conduct and Ethics. The Committee will review and approve all payments to be made pursuant to any related party transactions involving executive officers and members of the Board, as may be necessary or desirable under the Applicable Requirements. The Committee shall consider the results of any review of these policies and procedures by the Trust's external auditors.

***9. Audit Committee Disclosure***

The Committee shall review and recommend for Board approval any audit committee disclosure of the Trust before it is sent to securityholders of the Trust or publicly disclosed in accordance with the Applicable Requirements in the Trust's disclosure documents.

***10. Financial Executives***

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

***11. Charter Review***

The Committee shall review and assess the adequacy of this Charter from time to time, as required, to ensure compliance with Applicable Requirements and recommend to the Board for its approval any modifications to this Charter as are considered appropriate.

***12. Expenses***

The Chair of the Committee shall review and approve, as required, the expenses of the President and CEO and the Chair of the Board.

**IV. Meetings**

***1. Procedure***

The time and place of the meetings of the Committee, the calling of meetings of the Committee and the procedure at such meetings in all respects shall be determined by the Committee; provided, however, that a majority of the members of the Committee shall constitute a quorum.

***2. Reporting to the Board***

The Chair shall provide a report to the Board on material matters considered by the Committee.

***3. In Camera Sessions***

The Committee shall hold meetings, or portions of meetings, at which management and non-independent trustees are not present. The Committee shall also periodically meet separately with management, the internal auditors and the external auditors.

**V. Delegation**

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this Charter as the Committee deems appropriate.

**VI. Outside Advisors**

The Committee shall have the authority to seek, retain and terminate external legal counsel, consultants or other advisors, from a source independent of management, to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors and other retention terms. The Trust shall provide appropriate funding, as determined by the Committee, for the services of these advisors.




# Audited Consolidated Combined Financial Statements of Granite Real Estate Investment Trust

For the years ended December 31, 2024 and 2023

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

**Opinion on the Financial Statements**

We have audited the accompanying consolidated combined balance sheets of Granite Real Estate Investment Trust and subsidiaries (the "Trust") as at December 31, 2024 and 2023, the related consolidated combined statements of net income, comprehensive income, unitholders' equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2024, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Trust's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2025, expressed an unqualified opinion on the Trust's internal control over financial reporting.

**Basis for Opinion**

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Trust's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

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

*Critical Audit Matter Description*

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

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

*How the Critical Audit Matter Was Addressed in the Audit*

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
February 26, 2025

We have served as the Trust's auditor since 2012.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

**Opinion on Internal Control over Financial Reporting**

We have audited the internal control over financial reporting of Granite Real Estate Investment Trust and subsidiaries (the "Trust") as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Trust maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated combined financial statements as at and for the year ended December 31, 2024, of the Trust and our report dated February 26, 2025, expressed an unqualified opinion on those financial statements.

**Basis for Opinion**

The Trust's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Trust's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
February 26, 2025

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of Granite Real Estate Investment Trust (the "Trust") is responsible for the preparation and presentation of the consolidated combined financial statements and all information included in the 2024 Annual Report. The consolidated combined financial statements were prepared by management in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and where appropriate, reflect estimates based on management's best judgement in the circumstances. Financial information as presented elsewhere in the 2024 Annual Report has been prepared by management to ensure consistency with information contained in the consolidated combined financial statements. The consolidated combined financial statements have been audited by independent auditors and reviewed by the Audit Committee and approved by the Board of Trustees of Granite Real Estate Investment Trust.

Management is responsible for the development and maintenance of systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is accurate, relevant and reliable and that the Trust's assets are appropriately accounted for and adequately safeguarded. Management has determined that, as at December 31, 2024 and based on the framework set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, internal control over financial reporting was effective. The Trust's President and Chief Executive Officer and Chief Financial Officer, in compliance with Section 302 of the U.S. Sarbanes-Oxley Act of 2002 ("SOX"), has provided a SOX-related certification in connection with the Trust's annual disclosure document in the U.S. (Form 40-F) to the U.S. Securities and Exchange Commission. In accordance with National Instrument 52-109, a similar certification has been provided to the Canadian Securities Administrators.

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

The consolidated combined financial statements and the effectiveness of internal control over financial reporting have been audited by Deloitte LLP, the independent auditors, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) on behalf of the unitholders. The Auditors' Reports outline the nature of their examination and their opinion on the consolidated combined financial statements of the Trust and the effectiveness of the Trust's internal control over financial reporting. The independent auditors have full and unrestricted access to the Audit Committee.



Kevan Gorrie
President and Chief Executive Officer



Teresa Neto
Chief Financial Officer

Toronto, Canada
February 26, 2025

## Consolidated Combined Balance Sheets

*(Canadian dollars in thousands)*

| As at December 31, | Note | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets:** | | | |
| Investment properties | **4** | **$ 9,397,286** | $ 8,808,139 |
| Deferred tax assets | **13(c)** | **668** | 639 |
| Fixed assets, net | | **3,914** | 3,146 |
| Derivatives | **7(c)** | **57,375** | 100,200 |
| Other assets | **6** | **2,499** | 2,555 |
| | | **9,461,742** | 8,914,679 |
| **Current assets:** | | | |
| Derivative | **7(c)** | **—** | 9,042 |
| Accounts receivable | | **18,347** | 12,166 |
| Income taxes receivable | | **534** | 589 |
| Prepaid expenses and other | | **12,947** | 13,767 |
| Cash and cash equivalents | **15(d)** | **126,175** | 116,134 |
| **Total assets** | | **$ 9,619,745** | $ 9,066,377 |
| **LIABILITIES AND EQUITY** | | | |
| **Non-current liabilities:** | | | |
| Unsecured debt, net | **7(a),7(b)** | **$ 3,078,453** | $ 2,821,849 |
| Derivatives | **7(c)** | **32,298** | 8,429 |
| Long-term portion of lease obligations | **8** | **33,442** | 32,416 |
| Deferred tax liabilities | **13(c)** | **591,896** | 535,551 |
| | | **3,736,089** | 3,398,245 |
| **Current liabilities:** | | | |
| Unsecured debt, net | **7(b)** | **—** | 244,133 |
| Deferred revenue | **9** | **18,685** | 17,810 |
| Accounts payable and accrued liabilities | **9** | **99,074** | 94,336 |
| Distributions payable | **10** | **17,762** | 17,415 |
| Short-term portion of lease obligations | **8** | **945** | 765 |
| Income taxes payable | | **10,561** | 10,032 |
| **Total liabilities** | | **3,883,116** | 3,782,736 |
| **Equity:** | | | |
| Unitholders' equity | **11** | **5,728,236** | 5,276,951 |
| Non-controlling interests | | **8,393** | 6,690 |
| **Total equity** | | **5,736,629** | 5,283,641 |
| **Total liabilities and equity** | | **$ 9,619,745** | $ 9,066,377 |

*Commitments and contingencies (note 19)*
*See accompanying notes*

On behalf of the Board:

/s/ Kelly Marshall
Director/Trustee

/s/ Emily Pang
Director/Trustee

## Consolidated Combined Statements of Net Income

*(Canadian dollars in thousands)*

| Years ended December 31, | Note | 2024 | 2023 |
|---|---|---|---|
| Rental revenue | 12(a) | $ 568,643 | $ 521,250 |
| Lease termination and close-out fees | | 496 | — |
| **Revenue** | | 569,139 | 521,250 |
| Property operating costs | 12(b) | 97,153 | 86,012 |
| **Net operating income** | | 471,986 | 435,238 |
| General and administrative expenses | 12(c) | 38,909 | 41,440 |
| Depreciation and amortization | | 1,289 | 1,272 |
| Interest income | | (7,073) | (7,708) |
| Interest expense and other financing costs | 12(d) | 89,898 | 78,717 |
| Foreign exchange losses, net | | 14,410 | 1,033 |
| Fair value (gains) losses on investment properties, net | 4 | (53,037) | 172,676 |
| Fair value (gains) losses on financial instruments, net | 12(e) | (5,166) | 17,296 |
| Loss on sale of investment properties | 5 | — | 1,505 |
| **Income before income taxes** | | 392,756 | 129,007 |
| Income tax expense (recovery) | 13 | 30,874 | (9,489) |
| **Net income** | | $ 361,882 | $ 138,496 |
| **Net income attributable to:** | | | |
| Unitholders | | $ 360,609 | $ 136,662 |
| Non-controlling interests | | 1,273 | 1,834 |
| | | $ 361,882 | $ 138,496 |

*See accompanying notes*

## Consolidated Combined Statements of Comprehensive Income

*(Canadian dollars in thousands)*

| Years ended December 31, | Note | | 2024 | | 2023 |
|---|---|---|---|---|---|
| **Net income** | | **$** | **361,882** | $ | 138,496 |
| **Other comprehensive income (loss):** | | | | | |
| Foreign currency translation adjustment [(1)] | | | **432,233** | | (88,572) |
| Unrealized loss on net investment hedges, including income taxes of nil [(1)] | **7(c)** | | **(88,703)** | | (18,810) |
| **Total other comprehensive income (loss)** | | | **343,530** | | (107,382) |
| **Comprehensive income** | | **$** | **705,412** | $ | 31,114 |

[(1)] Items that may be reclassified subsequently to net income if a foreign subsidiary is disposed of or hedges are terminated or no longer assessed as effective (note 2(h)).

| | | | | | |
|---|---|---|---|---|---|
| **Comprehensive income attributable to:** | | | | | |
| Unitholders | | **$** | **703,521** | $ | 29,550 |
| Non-controlling interests | | | **1,891** | | 1,564 |
| | | **$** | **705,412** | $ | 31,114 |

*See accompanying notes*

## Consolidated Combined Statements of Unitholders' Equity

*(Canadian dollars in thousands)*

| Year Ended December 31, 2024 | Number of units (000s) | Value of units | Contributed surplus | Retained earnings | Accumulated other comprehensive income | Unitholders' equity | Non-controlling interests | Equity |
|---|---|---|---|---|---|---|---|---|
| **As at January 1,2024** | **63,356** | **$ 3,330,533** | **$ 5,250** | **$ 1,634,748** | **$ 306,420** | **$ 5,276,951** | **$ 6,690** | **$ 5,283,641** |
| Net income | — | — | — | 360,609 | — | 360,609 | 1,273 | 361,882 |
| Other comprehensive income | — | — | — | — | 342,912 | 342,912 | 618 | 343,530 |
| Distributions (note 10) | — | — | — | (208,198) | — | (208,198) | (213) | (208,411) |
| Contributions from non-controlling interests | — | — | — | — | — | — | 25 | 25 |
| Units issued under the unit plan (note 11(b)) | 36 | 2,675 | — | — | — | 2,675 | — | 2,675 |
| Units repurchased for cancellation (note 11(c)) | (667) | (41,463) | (5,250) | — | — | (46,713) | — | (46,713) |
| **As at December 31, 2024** | **62,725** | **$ 3,291,745** | **$ —** | **$ 1,787,159** | **$ 649,332** | **$ 5,728,236** | **$ 8,393** | **$ 5,736,629** |

| Year Ended December 31, 2023 | 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, 2023** | **63,708** | **$ 3,347,822** | **$ 11,601** | **$ 1,702,420** | **$ 413,532** | **$ 5,475,375** | **$ 4,972** | **$ 5,480,347** |
| Net income | — | — | — | 136,662 | — | 136,662 | 1,834 | 138,496 |
| Other comprehensive loss | — | — | — | — | (107,112) | (107,112) | (270) | (107,382) |
| Distributions (note 10) | — | — | — | (204,334) | — | (204,334) | (40) | (204,374) |
| Contributions from non-controlling interests | — | — | — | — | — | — | 194 | 194 |
| Units issued under the unit plan (note 11(b)) | 41 | 3,354 | — | — | — | 3,354 | — | 3,354 |
| Units repurchased for cancellation (note 11(c)) | (393) | (20,643) | (6,351) | — | — | (26,994) | — | (26,994) |
| **As at December 31, 2023** | **63,356** | **$ 3,330,533** | **$ 5,250** | **$ 1,634,748** | **$ 306,420** | **$ 5,276,951** | **$ 6,690** | **$ 5,283,641** |

*See accompanying notes*

## Consolidated Combined Statements of Cash Flows

*(Canadian dollars in thousands)*

| Years ended December 31, | Note | 2024 | 2023 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Net income** | | **$ 361,882** | $ 138,496 |
| Items not involving operating cash flows | **15(a)** | **(22,868)** | 177,001 |
| Current income tax expense | **13(a)** | **8,696** | 6,706 |
| Income taxes paid | | **(8,315)** | (8,258) |
| Interest expense | | **86,433** | 76,359 |
| Interest paid | | **(79,480)** | (72,460) |
| Changes in working capital balances | **15(b)** | **(7,739)** | (4,663) |
| **Cash provided by operating activities** | | **338,609** | 313,181 |
| **INVESTING ACTIVITIES** | | | |
| Investment properties: | | | |
| Acquisitions, deposits and transactions costs, net | **3** | **(829)** | (102,761) |
| Proceeds from disposal, net | **5** | **—** | 43,773 |
| Leasing costs paid | | **(7,040)** | (5,973) |
| Tenant allowances paid | | **(6,467)** | (6,005) |
| Additions to income-producing properties | | **(47,742)** | (59,825) |
| Additions to development properties | | **(3,332)** | (71,132) |
| Construction funds released from escrow | | **75** | 4,819 |
| Loan receivable repayment, net | | **—** | 69,262 |
| Fixed asset additions, net | | **(125)** | (285) |
| **Cash used in investing activities** | | **(65,460)** | (128,127) |
| **FINANCING ACTIVITIES** | | | |
| Monthly distributions paid | | **(207,851)** | (203,910) |
| Proceeds from unsecured term loan, net of financing costs | **7(b)** | **—** | 102,060 |
| Proceeds from unsecured debentures, net of financing costs | **7(b)** | **795,712** | 397,536 |
| Repayments of unsecured term loans | **7(b)** | **(823,798)** | — |
| Repayment of unsecured debentures | **7(b)** | **—** | (400,000) |
| Settlements of derivatives | **7(c)** | **15,906** | (18,495) |
| Proceeds from unsecured credit facility draws | | **—** | 90,234 |
| Repayment of unsecured credit facility draws | | **—** | (91,254) |
| Proceeds from secured debt | | **—** | 5,634 |
| Repayment of secured debt | | **—** | (56,234) |
| Repayment of lease obligations | | **(888)** | (730) |
| Financing costs paid | | **(555)** | (917) |
| Distributions to non-controlling interests | | **(213)** | (40) |
| Repurchase of units | **11(c)** | **(45,808)** | (26,994) |
| **Cash used in financing activities** | | **(267,495)** | (203,110) |
| **Effect of exchange rate changes on cash and cash equivalents** | | **4,387** | (891) |
| **Net increase (decrease) in cash and cash equivalents during the year** | | **10,041** | (18,947) |
| Cash and cash equivalents, beginning of the year | | **116,134** | 135,081 |
| **Cash and cash equivalents, end of the year** | | **$ 126,175** | $ 116,134 |

*See accompanying notes*

### 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

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

### (a) Basis of Presentation and Statement of Compliance

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

These consolidated combined financial statements were approved by the Board of Trustees of Granite REIT on February 26, 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 consolidated combined financial statements include the results of Granite REIT and Granite GP up to September 30, 2024, the last day before Granite GP became a wholly-owned subsidiary of Granite REIT. The comparative period ended December 31, 2023 continues to reflect the financial position and results of Granite REIT and Granite GP as previously reported on a combined basis. For the periods prior to October 1, 2024, references to "units" should be read as "stapled units" and "unitholders" should be read as "stapled unitholders".

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

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

### (c) Granite REIT Units

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

**(d) Investment Properties**

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

***Income-Producing Properties***

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

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

***Properties Under Development***

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

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

**(e) Business Combinations**

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

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

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

Acquisition related costs are expensed as incurred.

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

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

**(f) Assets Held for Sale**

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

**(g) Foreign Currency Translation**

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

In preparing the financial statements of each entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the average rates of exchange prevailing in the period. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange

differences on monetary items are recognized in net income in the period in which they arise except for:

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

**(h) Financial Instruments and Hedging**

***Financial Assets and Financial Liabilities***

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

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

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

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

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

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

***Derivatives and Hedging***

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

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

***(i)*** **Leases**

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

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

The lease obligation is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or, as appropriate, a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

**(j) Revenue Recognition**

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

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

**(k) Unit-based Compensation Plans**

***Executive Deferred Unit Plan***

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

***Director/Trustee Deferred Share Unit Plan***

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

**(l) Income Taxes**

***Operations in Canada***

Granite qualifies as a mutual fund trust under the Income Tax Act (Canada) (the "Act") and as such the Trust itself will not be subject to income taxes provided it continues to qualify as a REIT

for purposes of the Act. A REIT is not taxable and not considered to be a Specified Investment Flow-through Trust provided it complies with certain tests and it distributes all of its taxable income in a taxation year to its unitholders.

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

***Operations in the United States***

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

As a qualifying US REIT, current income taxes on U.S. taxable income have not been recorded in the consolidated combined financial statements. However, the Trust has recorded deferred income taxes that may arise on the disposition of its investment properties as the Trust will likely be subject to entity level income tax in connection with such transactions pursuant to the Foreign Investment in Real Property Tax Act.

***Operations in Europe***

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

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

***Current Income Tax***

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

***Deferred Income Tax***

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

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

**(m) Significant Accounting Judgments, Estimates and Assumptions**

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

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

***Judgments***

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

***(i) Leases***

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

***(ii) Investment Properties***

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

***(iii) Income Taxes***

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

***Estimates and Assumptions***

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

***(i) Valuation of Investment Properties***

The fair value of investment properties is determined by management using primarily the discounted cash flow method in which the income and expenses are projected over the anticipated term of the investment plus a subsequent reversionary value discounted using an appropriate discount rate. The Trust obtains, from time to time, appraisals from independent qualified real estate valuation experts. However, the Trust does not value its investment properties based on these appraisals but uses them as data points, alongside other external

market information for management to arrive at its own conclusions on values.Management receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of the Trust's portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. The critical assumptions relating to the Trust's estimates of fair values of investment properties include contractual rents, contractual renewal terms, expected future market rental rates, discount rates that reflect current market uncertainties, capitalization rates and recent investment property prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may change materially. Refer to note 4 for further information on the estimates and assumptions made by management.

***(ii) Fair Value of Financial Instruments***

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

***(iii) Income Taxes***

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

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

**(n) Accounting Standards Adopted in 2024**

*Amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current*

In January 2020, the IASB issued an amendment to IAS 1,*Presentation of Financial Statements*, to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduced a definition of 'settlement' to make clear that settlement refers to the transfer to the

counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued Non-Current Liabilities with Covenants (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments became effective on January 1, 2024 and required retrospective application.

The Trust adopted the amendments to IAS 1 as of January 1, 2024 and there was no material impact to its consolidated combined financial statements.

**(o) 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.

## 3. ACQUISITIONS

During the year ended December 31, 2024, Granite did not acquire any properties. During the year ended December 31, 2023, Granite made the following property acquisitions:

**023 Acquisitions**

| roperty | Location | Date acquired | Property purchase price | Transaction costs | Total acquisition cost |
|---|---|---|---|---|---|
| **ıcome-producing properties:** | | | | | |
| )144 Veterans Dr. | Avon, USA | March 30, 2023 | $ 72,806 | $ 128 | $ 72,934 |
| )207 Veterans Dr. | Avon, USA | March 30, 2023 | 34,089 | 102 | 34,191 |
| | | | $ 106,895 | $ 230 | $ 107,125 |

During the year ended December 31, 2024, there were no transaction costs. During the year ended December 31, 2023, 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 (gains) losses on investment properties on the consolidated combined statements of net income as a result of measuring the properties at fair value.

## INVESTMENT PROPERTIES

| As at December 31, | | 2024 | | 2023 |
|---|---|---|---|---|
| Income-producing properties | **$** | **9,297,137** | $ | 8,641,352 |
| Development properties[1] | | **100,149** | | 166,787 |
| | **$** | **9,397,286** | $ | 8,808,139 |

[1] Development properties include properties under development and land held for development.

Changes in investment properties are shown in the following table:

| Years ended December 31, | 2024 | | 2023 | |
|---|---|---|---|---|
| | Income-producing properties | Development properties[1] | Income-producing properties | Development properties[1] |
| Balance, beginning of year | **$ 8,641,352** | **$ 166,787** | $ 8,486,105 | $ 353,466 |
| Maintenance or improvements | **15,381** | **—** | 8,409 | — |
| Leasing costs | **8,218** | **—** | 5,095 | 1,577 |
| Tenant allowances | **8,675** | **—** | 6,969 | 47 |
| Developments or expansions | **22,979** | **4,448** | 36,633 | 62,619 |
| Acquisitions (note 3) | **—** | **—** | 107,125 | — |
| Transfer to income-producing properties | **72,701** | **(72,701)** | 288,979 | (288,979) |
| Amortization of straight-line rent | **11,843** | **—** | 16,690 | — |
| Amortization of tenant allowances | **(54)** | **—** | (4,403) | — |
| Other changes | **85** | **(51)** | 132 | 10 |
| Fair value gains (losses), net | **53,037** | **—** | (216,191) | 39,888 |
| Foreign currency translation, net | **462,920** | **1,666** | (94,191) | (1,841) |
| Balance, end of year | **$ 9,297,137** | **$ 100,149** | $ 8,641,352 | $ 166,787 |

[1] Development properties include properties under development and land held for development.

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

Included in investment properties as at December 31, 2024 is $81.3 million (2023 — $64.0 million) of net straight-line rent receivables arising from the recognition of rental revenue on a straight-line basis over the lease term.

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

Tenant minimum rental commitments payable to Granite on non-cancellable operating leases as at December 31, 2024 are as follows:

| | | |
|---|---|---|
| 2025 | **$** | **487,787** |
| 2026 | | **474,152** |
| 2027 | | **444,116** |
| 2028 | | **394,020** |
| 2029 | | **304,846** |
| 2030 and thereafter | | **1,202,855** |
| | **$** | **3,307,776** |

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

| **As at December 31,** | **2024** | | | **2023** | | |
|---|---|---|---|---|---|---|
| | **Weighted average[1]** | **Maximum** | **Minimum** | **Weighted average[1]** | **Maximum** | **Minimum** |
| **Canada** | | | | | | |
| Discount rate | **6.59 %** | **7.50 %** | **6.00 %** | 6.55 % | 7.50 % | 6.00 % |
| Terminal capitalization rate | **5.45 %** | **6.50 %** | **4.75 %** | 5.39 % | 6.50 % | 4.75 % |
| **United States** | | | | | | |
| Discount rate | **7.15 %** | **10.50 %** | **6.40 %** | 7.08 % | 10.50 % | 6.15 % |
| Terminal capitalization rate | **6.06 %** | **9.25 %** | **5.50 %** | 6.02 % | 9.25 % | 5.25 % |
| **Germany** | | | | | | |
| Discount rate | **7.20 %** | **9.65 %** | **5.85 %** | 7.13 % | 9.65 % | 5.80 % |
| Terminal capitalization rate | **6.18 %** | **8.90 %** | **4.85 %** | 6.13 % | 8.90 % | 4.85 % |
| **Austria** | | | | | | |
| Discount rate | **8.68 %** | **9.90 %** | **8.15 %** | 8.68 % | 9.90 % | 8.15 % |
| Terminal capitalization rate | **7.40 %** | **8.25 %** | **6.75 %** | 7.40 % | 8.25 % | 6.75 % |
| **Netherlands** | | | | | | |
| Discount rate | **6.48 %** | **7.95 %** | **5.75 %** | 6.34 % | 7.75 % | 5.60 % |
| Terminal capitalization rate | **6.68 %** | **9.40 %** | **5.95 %** | 6.57 % | 9.00 % | 5.95 % |
| **Total** | | | | | | |
| Discount rate | **7.11 %** | **10.50 %** | **5.75 %** | 7.05 % | 10.50 % | 5.60 % |
| Terminal capitalization rate | **6.11 %** | **9.40 %** | **4.75 %** | 6.07 % | 9.25 % | 4.75 % |

[1] Weighted based on income-producing property fair value.

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

| | Discount Rate | | Terminal Capitalization Rate | |
|---|---|---|---|---|
| **Rate sensitivity** | **Fair value** | **Change in fair value** | **Fair value** | **Change in fair value** |
| +50 basis points | $ 8,955,433 | $ (341,704) | $ 8,867,084 | $ (430,053) |
| +25 basis points | 9,124,264 | (172,873) | 9,073,316 | (223,821) |
| **Base rate** | **9,297,137** | **—** | **9,297,137** | **—** |
| -25 basis points | 9,474,163 | 177,026 | 9,540,953 | 243,816 |
| -50 basis points | $ 9,655,453 | $ 358,316 | $ 9,807,644 | $ 510,507 |

## 5. DISPOSITION

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

During the year ended December 31, 2023, Granite disposed of two income-producing properties located in Canada and the United States for gross proceeds of $45.3 million.

During the year ended December 31, 2023, Granite incurred $1.5 million of broker commissions and legal and advisory costs associated with the disposals which were included in loss on sale of investment properties on the consolidated combined statement of net income.

During the year ended December 31, 2023, a net fair value gain of $3.6 million, related to the fair value changes in properties classified as assets held for sale, was included in net fair value (gains) losses on investment properties on the consolidated combined statement of net income.

## 6. OTHER ASSETS

| **As at December 31,** | | **2024** | **2023** |
|---|---|---|---|
| Deferred financing costs associated with the revolving credit facility | **$** | **2,235** | $ 2,272 |
| Long-term receivables | | **264** | 283 |
| | **$** | **2,499** | $ 2,555 |

## 7. UNSECURED DEBT AND RELATED DERIVATIVES

### (a) Unsecured Revolving Credit Facility

On March 27, 2024, the Trust amended its existing unsecured revolving credit facility (the ‘‘Credit Facility’’) to extend the maturity date by one year to March 31, 2029, with a limit of $1.0 billion. As the administrator of the Canadian Dollar Offered Rate ("CDOR") ceased publication of CDOR on June 28, 2024 and the Canadian financial benchmark was replaced by the Canadian Overnight Repo Rate Average ("CORRA"), the Trust also amended the benchmark rates from CDOR to CORRA for Canadian dollar denominated draws, including a fixed spread for the basis difference between CDOR and CORRA. Such amendments to the benchmark rates resulted in no economic impact to Granite's borrowing rates.

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, 2029, the Trust has the option to extend the maturity date by one year to March 31, 2030, subject to the agreement of lenders in respect of a minimum of 66 2/3% of the aggregate amount committed under the Credit Facility. As at December 31, 2024, the Trust had no amount drawn (2023 — nil) on the Credit Facility and $2.8 million (2023 — $2.9 million) in letters of credit issued against the Credit Facility.

**(b) Unsecured Debentures and Term Loans, Net**

| As at December 31, | | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | Maturity Date | Amortized Cost[1] | Principal issued and outstanding | Amortized Cost[1] | Principal issued and outstanding |
| 2027 Debentures | June 4, 2027 | $ 498,857 | $ 500,000 | $ 498,497 | $ 500,000 |
| 2028 Debentures | August 30, 2028 | 498,518 | 500,000 | 498,193 | 500,000 |
| April 2029 Debentures | April 12, 2029 | 397,947 | 400,000 | 397,629 | 400,000 |
| October 2029 Debentures | October 4, 2029 | 248,746 | 250,000 | — | — |
| 2030 Debentures | December 18, 2030 | 498,139 | 500,000 | 497,917 | 500,000 |
| 2031 Debentures | October 4, 2031 | 547,110 | 550,000 | — | — |
| 2024 Term Loan | December 19, 2024 | — | — | 244,133 | 244,283 |
| 2025 Term Loan | September 15, 2025 | — | — | 527,786 | 528,180 |
| September 2026 Term Loan | September 8, 2026 | 89,336 | 89,443 | 102,064 | 102,222 |
| December 2026 Term Loan | December 11, 2026 | 299,800 | 300,000 | 299,763 | 300,000 |
| | | $ 3,078,453 | $ 3,089,443 | $ 3,065,982 | $ 3,074,685 |

(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.

| s at December 31, | 2024 | 2023 |
|---|---|---|
| nsecured Debentures and Term Loans, Net | | |
| Non-current | $ 3,078,453 | 2,821,849 |
| urrent | — | 244,133 |
| | $ 3,078,453 | 3,065,982 |

**2023 Debentures**

On December 20, 2016, Granite REIT Holdings Limited Partnership ("Granite LP"), a wholly-owned subsidiary of Granite, issued at a nominal premium $400.0 million aggregate principal amount of 3.873% Series 3 senior unsecured debentures due November 30, 2023 (the “2023 Debentures”). On November 30, 2023, Granite LP repaid in full the outstanding $400.0 million aggregate principal amount of the 2023 Debentures. In conjunction with the repayment, the associated cross currency interest rate swap (the "2023 Cross Currency Interest Rate Swap") was terminated and the related mark to market liability of $18.5 million was settled.

**2027 Debentures**

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

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

**2028 Debentures**

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

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

**April 2029 Debentures**

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

The April 2029 Debentures are redeemable, in whole or in part, at Granite's option at any time and from time to time, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the April 2029 Debentures to be redeemed; and (b) the Canada Yield Price. The Canada Yield Price means, in respect of a April 2029 Debenture, a price equal to which, if the April 2029 Debenture were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to its maturity date

equal to 50.5 basis points above the yield that a non-callable Government of Canada bond, trading at par, would carry if issued on the redemption date with a maturity date of April 12, 2029. Granite also has the option to redeem the April 2029 Debentures at par plus any accrued and unpaid interest within one month of the maturity date of April 12, 2029.

**October 2029 Debentures**

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

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

**2030 Debentures**

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

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

**2031 Debentures**

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

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

**2024 Term Loan**

On December 19, 2018, Granite LP entered into and fully drew upon a US$185.0 million senior unsecured non-revolving term facility that originally matured on December 19, 2022. On October 10, 2019, Granite refinanced the US$185.0 million term facility and extended the maturity date two years to December 19, 2024 (the “2024 Term Loan”). The 2024 Term Loan was fully prepayable without penalty. Any amount repaid could not be re-borrowed. Deferred financing costs of $0.8 million were incurred and recorded as a reduction against the carrying value.

In conjunction with the extension, the previously existing cross currency interest rate swap associated with the term facility was terminated on September 24, 2019 and blended into a new cross currency interest rate swap (note 7(c)).

Interest on drawn amounts of the 2024 Term Loan was initially based on LIBOR plus an applicable margin determined by reference to the external credit rating of Granite LP, but as the Federal Reserve Board discontinued the publication of the US dollar LIBOR benchmark rates on June 30, 2023 and replaced it with SOFR, on April 19, 2023, Granite amended the 2024 Term Loan and 2024 Cross Currency Interest Rate Swap to update the benchmark rates in these agreements from LIBOR to SOFR, including a fixed spread for the basis difference between LIBOR and SOFR, without any economic impact or change to Granite's risk management strategy.

On December 19, 2024, Granite LP repaid in full the outstanding US$185.0 million aggregate principal amount of the 2024 Term Loan. In conjunction with the repayment, the mark to market asset of US$10.8 million relating to the 2024 Cross Currency Interest Rate Swap was settled.

**2025 Term Loan**

On September 15, 2022, Granite LP entered into and fully drew upon a US$400.0 million senior unsecured non-revolving term facility with a maturity date of September 15, 2025 (the “2025 Term Loan”). The 2025 Term Loan was fully prepayable without penalty. Any amount repaid could not be re-borrowed. Interest on drawn amounts was calculated based on SOFR plus an applicable margin determined by reference to the external credit rating of Granite LP and was payable monthly in arrears. Deferred financing costs of $0.7 million were incurred and recorded as a reduction against the carrying value.

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

**September 2026 Term Loan**

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

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

**December 2026 Term Loan**

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

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

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

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

## (c) Derivatives

| As at December 31, | | | | | | | 2024 | 2023 |
|---|---|---|---|---|---|---|---|---|
| | 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) |
| 2024 Cross Currency Interest Rate Swap [1] | 168,200 EUR | 0.522 % | 185,000 USD | SOFR plus margin [8] | Dec. 19, 2024 | $ | — | $ 9,042 |
| 2025 Interest Rate Swap [2] [3] | — — | 5.016 % | — — | SOFR plus margin | Sept. 15, 2025 | | — | 4,847 |
| September 2026 Interest Rate Swap [4] [5] | — — | 4.333 % | — — | EURIBOR plus margin | Sept. 8, 2026 | | **(1,502)** | (2,105) |
| December 2026 Cross Currency Interest Rate Swap | 205,500 EUR | 1.355 % | 300,000 CAD | CORRA plus margin [9] | Dec. 11, 2026 | | **9,499** | 24,223 |
| 2027 Cross Currency Interest Rate Swap | 370,300 USD | 2.964 % | 500,000 CAD | 3.062 % | June 4, 2027 | | **(13,255)** | 18,402 |
| 2028 Cross Currency Interest Rate Swap | 119,100 USD | 2.096 % | 150,000 CAD | 2.194 % | Aug. 30, 2028 | | **(11,941)** | (3,067) |
| 2028 Cross Currency Interest Rate Swap | 242,100 EUR | 0.536 % | 350,000 CAD | 2.194 % | Aug. 30, 2028 | | **5,270** | 8,998 |
| April 2029 Cross Currency Interest Rate Swap [6] | 277,700 EUR | 4.958 % | 400,000 CAD | 6.103 % | Apr. 12, 2029 | | **(5,594)** | (3,257) |
| October 2029 Cross Currency Interest Rate Swap [7] | 167,400 EUR | 3.494 % | 250,000 CAD | 3.999 % | Oct. 4, 2029 | | **(6)** | — |
| 2030 Cross Currency Interest Rate Swap | 319,400 EUR | 1.045 % | 500,000 CAD | 2.378 % | Dec. 18, 2030 | | **42,606** | 43,730 |
| | | | | | | **$** | **25,077** | $ 100,813 |

(1) On December 19, 2024, Granite LP repaid in full the outstanding US$185.0 million aggregate principal amount of the 2024 Term Loan. In conjunction with the repayment, the mark to market asset of US$10.8 million relating to the 2024 Cross Currency Interest Rate Swap was settled (note 7(b)).

(2) On September 15, 2022, Granite LP entered into a float to fixed interest rate swap (the “2025 Interest Rate Swap”) to exchange the floating SOFR portion of the interest payments of the 2025 Term Loan for fixed interest payments resulting in an all-in fixed interest rate of 5.016%.

(3) On October 4, 2024, Granite LP repaid in full the outstanding US$400.0 million aggregate principal amount of the 2025 Term Loan without penalty. In conjunction with the repayment, the 2025 Interest Rate Swap was terminated and the related mark to market asset of US$0.6 million was settled (note 7(b)).

(4) On September 8, 2023, Granite LP entered into a float to fixed interest rate swap (the "September 2026 Interest Rate Swap”) to exchange the floating EURIBOR-based interest payments of the September 2026 Term Loan for fixed interest payments resulting in an all-in fixed interest rate of 4.333%.

(5) On December 10, 2024, Granite LP repaid €10.0 million aggregate principal amount of the September 2026 Term Loan without penalty. In conjunction with the partial repayment, a €10.0 million portion of the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.2 million was settled (note 7(b)).

(6) On October 12, 2023, Granite LP entered into a cross currency interest rate swap (the "April 2029 Cross Currency Interest Rate Swap") to exchange the Canadian dollar denominated principal and interest payments of the April 2029 Debentures for Euro denominated principal and interest payments resulting in an all-in effective fixed interest rate of 4.929%.

(7) On October 4, 2024, Granite LP entered into a cross currency interest rate swap (the "October 2029 Cross Currency Interest Rate Swap”) to exchange the Canadian dollar denominated principal and interest payments of the October 2029 Debentures for Euro denominated principal and interest payments resulting in an all-in effective fixed interest rate of 3.494%.

(8) On April 19, 2023, Granite amended the 2024 Cross Currency Interest Rate Swap to update the benchmark rate in the agreement from LIBOR to SOFR, including a fixed spread for the basis difference between LIBOR and SOFR, without any economic impact or change to Granite's risk management strategy (note 7(b)). In combination with the 2024 Term Loan, the all-in effective fixed interest rate is 0.267%.

(9) On February 8, 2024, Granite amended the December 2026 Cross Currency Interest Rate Swap to update the benchmark rate in the agreement from CDOR to CORRA, including a fixed spread for the basis difference between CDOR and CORRA, without any economic impact or change to Granite's risk management strategy (note 7(b)). In combination with the December 2026 Term Loan, the all-in effective fixed interest rate is 1.096%.

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| **erivative assets at fair value** | | | |
| Non-current | **$** | **57,375** | 100,200 |
| urrent | | **—** | 9,042 |
| | **$** | **57,375** | 109,242 |
| **erivative liabilities at fair value** | | | |
| Non-current | **$** | **32,298** | 8,429 |
| urrent | | **—** | — |
| | **$** | **32,298** | 8,429 |

For the year ended December 31, 2024, the cross currency interest rate swaps, the combination of the 2025 Term Loan and 2025 Interest Rate Swap, 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 year ended December 31, 2024, the Trust has assessed the Net Investment Hedges to be effective, except for a portion of the 2024 Cross Currency Interest Rate Swap, a portion of the combination of the 2025 Term Loan and 2025 Interest Rate Swap, 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.

On October 4, 2024, as a result of the designation of the October 2029 Cross Currency Interest Rate Swap as a net investment hedge, the Trust de-designated the 2024 Cross Currency Interest Rate Swap. Since the Trust did not employ hedge accounting for the 2024 Cross Currency Interest Rate Swap from the period October 4, 2024 to December 19, 2024, a fair value gain of $13.9 million is recognized in fair value (gains) losses on financial instruments, net, (note 12(e)) in the consolidated combined statement of net income.

For the year ended December 31, 2024, a net fair value gain of $7.1 million has been recognized in fair value (gains) losses on financial instruments, net (note 12(e)) in the consolidated combined statement of net income, due to the de-designation of the 2024 Cross Currency Interest Rate Swap (from the period October 4, 2024 to December 19, 2024) and the ineffectiveness relating to the interest rate portion of certain hedging relationships described above.

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

## 8. LEASE OBLIGATIONS

As at December 31, 2024, 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. During the year ended December 31, 2024, Granite

recorded a right-of-use asset and related lease obligation of $1.8 million for office space in Europe.

The present value of future minimum lease payments relating to the right-of-use assets as at December 31, 2024 in aggregate for the next five years and thereafter are as follows:

| | | |
|---|---|---|
| 2025 | **$** | **945** |
| 2026 | | **942** |
| 2027 | | **657** |
| 2028 | | **441** |
| 2029 | | **458** |
| 2030 and thereafter | | **30,944** |
| | **$** | **34,387** |

During the year ended December 31, 2024, the Trust recognized $1.6 million (2023 — $1.6 million) of interest expense related to lease obligations (note 12(d)).

## 9. CURRENT LIABILITIES

**Deferred Revenue**

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

**Accounts Payable and Accrued Liabilities**

| **As at December 31,** | | **2024** | **2023** |
|---|---|---|---|
| Accounts payable | **$** | **13,540** | $ 11,400 |
| Commodity tax payable | | **7,521** | 5,779 |
| Tenant security deposits | | **6,689** | 6,093 |
| Employee unit-based compensation | | **7,957** | 7,752 |
| Trustee/director unit-based compensation | | **9,865** | 9,364 |
| Accrued salaries, incentives and benefits | | **6,988** | 6,516 |
| Accrued interest payable | | **20,462** | 15,135 |
| Accrued construction costs | | **2,282** | 11,009 |
| Accrued professional fees | | **1,404** | 1,320 |
| Acquisition related liabilities | | **28** | 907 |
| Accrued property operating costs | | **10,714** | 9,744 |
| Other tenant related liabilities | | **7,671** | 8,621 |
| Accrued foreign exchange collar liabilities | | **1,329** | — |
| Stock buyback tax payable | | **905** | — |
| Other accrued liabilities | | **1,719** | 696 |
| | **$** | **99,074** | $ 94,336 |

## 10. DISTRIBUTIONS TO UNITHOLDERS

Total distributions declared to unitholders in the year ended December 31, 2024 were $208.2 million (2023 — $204.3 million) or $3.31 per unit (2023 — $3.21 per unit).

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. Distributions payable at December 31, 2023 of $17.4 million ($0.2750 per unit) representing the December 2023 monthly distributions, were paid on January 16, 2024.

Subsequent to December 31, 2024, the distributions declared in January 2025 in the amount of $17.6 million or $0.2833 per unit were paid on February 14, 2025 and the distributions declared in February 2025 of $0.2833 per unit will be paid on March 14, 2025.

## 11. UNITHOLDERS' EQUITY

### (a) Units

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

### (b) Unit-Based Compensation

**Incentive Stock Option Plan**

The Incentive Stock Option Plan allowed for the grant of stock options or stock appreciation rights to directors, officers, employees and consultants. Effective October 1, 2024, the Board of Trustees of the Trust terminated the Incentive Stock Option Plan and there were no options outstanding at the time. As at December 31, 2023, there wereno options outstanding under this plan.

**Director/Trustee Deferred Share Unit Plan**

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

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

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Number (000s) | Weighted Average Grant Date Fair Value | Number (000s) | Weighted Average Grant Date Fair Value |
| DSUs outstanding, January 1 | **123** | **$65.70** | 101 | $64.58 |
| New grants and distributions | **24** | **75.40** | 22 | 70.71 |
| Settled | **(5)** | **80.97** | — | — |
| **DSUs outstanding, December 31** | **142** | **$66.78** | 123 | $65.70 |

**Executive Deferred Unit Plan**

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

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

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

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Number (000s) | Weighted Average Grant Date Fair Value | Number (000s) | Weighted Average Grant Date Fair Value |
| RUs and PUs outstanding, January 1 | **145** | **$ 81.93** | 124 | $ 87.18 |
| New grants and distributions[1] | **83** | **75.34** | 80 | 71.80 |
| Forfeited | **(2)** | **79.63** | (3) | 81.54 |
| PUs added by performance factor | **7** | **73.84** | 27 | 83.37 |
| Settled in cash | **(36)** | **80.06** | (42) | 80.32 |
| Settled in units | **(36)** | **80.06** | (41) | 80.32 |
| **RUs and PUs outstanding, December 31[2]** | **161** | **$ 79.05** | 145 | $ 81.93 |

(1) Includes 42.8 RUs and 32.2 PUs granted during the year ended December 31, 2024 (2023 —40.1 RUs and 34.4 PUs).
(2) Total units outstanding at December 31, 2024 include a total of 66.7 RUs and 93.9 PUs granted (2023 — 58.4 RUs and 86.8 PUs).

The fair value of the outstanding RUs was $3.8 million at December 31, 2024 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 $4.2 million at December 31, 2024 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, 2024, January 1, 2023 and January 1, 2022 |
| PUs outstanding | 93,867 |
| Weighted average term to expiry | 1.1 years |
| Average volatility rate | 20.4% |
| Weighted average risk free interest rate | 2.1% |

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

| **Years ended December 31,** | | **2024** | **2023** |
|---|---|---|---|
| DSUs for trustees/directors[1] | **$** | **906** | $ 2,431 |
| Restricted Unit Plan for executives and employees | | **4,454** | 7,782 |
| **Unit-based compensation expense** | **$** | **5,360** | $ 10,213 |
| **Fair value remeasurement (recovery) expense included in the above:** | | | |
| DSUs for trustees/directors | **$** | **(879)** | $ 844 |
| Restricted Unit Plan for executives and employees | | **(247)** | 3,107 |
| **Total fair value remeasurement (recovery) expense** | **$** | **(1,126)** | $ 3,951 |

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

**(c) Normal Course Issuer Bid**

On May 22, 2024, Granite announced the acceptance by the TSX of Granite's Notice of Intention to Make a Normal Course Issuer Bid ("NCIB"). Following completion of the Arrangement, the NCIB continues as a NCIB of Granite REIT for the purchase of units. 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 6,273,168 of Granite's issued and outstanding units. The NCIB commenced on May 24, 2024 and will conclude on the earlier of the date on which purchases under the bid have been completed and May 23, 2025. Pursuant to the policies of the TSX, daily purchases made by Granite through the TSX may not exceed 23,113 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, 2023 to May 23, 2024.

During the year ended December 31, 2024, Granite repurchased 667,300 units at an average unit cost of $68.64 for total consideration of $45.8 million, excluding commissions and taxes on net repurchases of units. The difference between the repurchase price and the average cost of the units was recorded in contributed surplus until the $5.3 million balance of contributed surplus was fully depleted. During the year ended December 31, 2023, Granite repurchased 392,700 units at an average unit cost of $68.73 for total consideration of $27.0 million, excluding commissions. The difference between the repurchase price and the average cost of the units of $6.4 million was recorded to contribution surplus.

**(d) Accumulated Other Comprehensive Income**

Accumulated other comprehensive income consists of the following:

| As at December 31, | | 2024 | | 2023 |
|---|---|---|---|---|
| Foreign currency translation gains on investments in subsidiaries, net of related hedging activities and non-controlling interests[1] | **$** | **662,807** | $ | 254,364 |
| Fair value (losses) gains on derivatives designated as net investment hedges | | **(13,475)** | | 52,056 |
| | **$** | **649,332** | $ | 306,420 |

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

## 12. RENTAL REVENUE, RECOVERIES, COSTS AND EXPENSES

(a) Rental revenue consists of:

| Years ended December 31, | | 2024 | | 2023 |
|---|---|---|---|---|
| Base rent | **$** | **466,302** | $ | 427,354 |
| Straight-line rent amortization | | **11,843** | | 16,690 |
| Tenant incentive amortization | | **(54)** | | (4,403) |
| Property tax recoveries | | **57,745** | | 52,862 |
| Property insurance recoveries | | **7,340** | | 6,386 |
| Operating cost recoveries | | **25,467** | | 22,361 |
| | **$** | **568,643** | $ | 521,250 |

(b) Property operating costs consist of:

| Years ended December 31, | | 2024 | | 2023 |
|---|---|---|---|---|
| **Non-recoverable from tenants:** | | | | |
| Property taxes and utilities | **$** | **1,196** | $ | 1,230 |
| Property insurance | | **735** | | 694 |
| Repairs and maintenance | | **413** | | 427 |
| Property management fees | | **390** | | 378 |
| Other | | **699** | | 459 |
| | **$** | **3,433** | $ | 3,188 |
| **Recoverable from tenants:** | | | | |
| Property taxes and utilities | **$** | **66,875** | $ | 58,752 |
| Property insurance | | **7,475** | | 7,396 |
| Repairs and maintenance | | **12,665** | | 10,441 |
| Property management fees | | **5,473** | | 5,038 |
| Other | | **1,232** | | 1,197 |
| | **$** | **93,720** | $ | 82,824 |
| **Property operating costs** | **$** | **97,153** | $ | 86,012 |

(c) General and administrative expenses consist of:

| Years ended December 31, | | 2024 | | 2023 |
|---|---|---|---|---|
| Salaries, incentives and benefits | **$** | **18,655** | $ | 17,907 |
| Audit, legal and consulting | | **4,186** | | 4,194 |
| Trustee/director fees including distributions, revaluations and expenses[(1)] | | **1,208** | | 2,825 |
| RSU and PSU compensation expense including distributions and revaluations[(1)] | | **4,454** | | 7,782 |
| Other public entity costs | | **2,605** | | 2,629 |
| Office rents including property taxes and common area maintenance costs | | **662** | | 623 |
| Capital tax (recovery) expense | | **(897)** | | 995 |
| Information technology costs | | **2,633** | | 2,524 |
| Corporate restructuring costs[(2)] | | **3,471** | | 147 |
| Other | | **2,386** | | 2,332 |
| | **$** | **39,363** | $ | 41,958 |
| Less: capitalized general and administrative expenses | | **(454)** | | (518) |
| | **$** | **38,909** | $ | 41,440 |

(1) For fair value remeasurement (recovery) expense amounts see note 11(b).
(2) Corporate restructuring costs include costs associated with the uncoupling of the Trust's stapled unit structure.

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

| Years ended December 31, | | 2024 | 2023 |
|---|---|---|---|
| Interest and amortized issuance costs relating to debentures and term loans | **$** | **85,276** | $ 73,322 |
| Amortization of deferred financing costs and other interest expense and charges | | **3,463** | 5,853 |
| Interest expense related to lease obligations (note 8) | | **1,638** | 1,593 |
| | **$** | **90,377** | $ 80,768 |
| Less: capitalized interest | | **(479)** | (2,051) |
| | **$** | **89,898** | $ 78,717 |

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

| Years ended December 31, | | 2024 | 2023 |
|---|---|---|---|
| Foreign exchange collar contracts, net (note 16(a)) | **$** | **1,979** | $ (3,076) |
| Derivatives, net (note 7(c)) | | **(7,145)** | 20,372 |
| | **$** | **(5,166)** | $ 17,296 |

For the year ended December 31, 2024, the net fair value gain on financial instruments of $5.2 million is comprised of the net fair value gain on the derivatives of $7.1 million which is 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, offset partially by the net fair value loss on foreign exchange collar contracts of $2.0 million. The Trust partially employed or did not employ hedge accounting for the derivatives and foreign exchange collars, therefore the change in fair value is recognized in fair value (gains) losses on financial instruments, net, in the consolidated combined statement of net income.

For the year ended December 31, 2023, the net fair value loss on financial instruments of $17.3 million was comprised of the net fair value loss on the derivatives of $20.4 million which was associated with the fair value movements of the 2023 Cross Currency Interest Rate Swap, 2024 Cross Currency Interest Rate Swap, the combination of the 2025 Term Loan and 2025 Interest Rate Swap, and the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap, offset partially by the net fair value gain on the foreign exchange collar contracts of $3.1 million. The Trust partially employed or did not employ hedge accounting for the derivatives and foreign exchange collars, therefore the change in fair value was recognized in fair value (gains) losses on financial instruments, net, in the consolidated combined statement of net income.

## 13. INCOME TAXES

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

| Years ended December 31, | | 2024 | 2023 |
|---|---|---|---|
| **Current income tax:** | | | |
| Current taxes | **$** | **10,149** | $ 8,450 |
| Current taxes referring to previous periods | | **(1,680)** | (1,854) |
| Withholding taxes and other | | **227** | 110 |
| | **$** | **8,696** | $ 6,706 |
| **Deferred income tax:** | | | |
| Origination and reversal of temporary differences | **$** | **25,131** | $ (25,660) |
| Impact of changes in tax rates | | **(771)** | — |
| Benefits arising from a previously unrecognized tax loss that reduced current tax expense | | **(54)** | — |
| Withholding taxes on profits of subsidiaries | | **6** | 86 |
| Deferred tax arising from the write-down, or reversal of a previous write-down, of a deferred tax asset | | **(527)** | 8,877 |
| Other | | **(1,607)** | 502 |
| | **$** | **22,178** | $ (16,195) |
| **Income tax expense (recovery)** | **$** | **30,874** | $ (9,489) |

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

| Years ended December 31, | | 2024 | 2023 |
|---|---|---|---|
| **Income before income taxes** | **$** | **392,756** | $ 129,007 |
| Expected income taxes at the Canadian statutory tax rate of26.5% (2023 - 26.5%) | **$** | **104,080** | $ 34,187 |
| Income distributed and taxable to unitholders | | **(64,115)** | (51,921) |
| Net foreign rate differentials | | **(5,785)** | (811) |
| Net change in provisions for uncertain tax positions | | **(1,244)** | (548) |
| Net permanent differences | | **889** | 507 |
| Net effect of change in tax rates | | **(771)** | — |
| Net change in recognition of deferred tax assets | | **(581)** | 8,877 |
| Withholding taxes and other | | **(1,599)** | 220 |
| **Income tax expense (recovery)** | **$** | **30,874** | $ (9,489) |

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

| As at December 31, | | 2024 | 2023 |
|---|---|---|---|
| **Deferred tax assets:** | | | |
| Loss carryforwards | **$** | **677** | $ 602 |
| Other | | **(9)** | 37 |
| **Deferred tax assets** | **$** | **668** | $ 639 |
| **Deferred tax liabilities:** | | | |
| Investment properties | **$** | **597,258** | $ 540,304 |
| Withholding tax on undistributed subsidiary profits | | **94** | 86 |
| Other | | **(5,456)** | (4,839) |
| **Deferred tax liabilities** | **$** | **591,896** | $ 535,551 |

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

| Years ended December 31, | | 2024 | 2023 |
|---|---|---|---|
| Balance, beginning of year | **$** | **534,912** | $ 556,762 |
| Deferred tax expense (recovery) recognized in net income | | **22,178** | (16,195) |
| Foreign currency translation of deferred tax balances | | **34,138** | (5,655) |
| **Net deferred tax liabilities, end of year** | **$** | **591,228** | $ 534,912 |

(e) Net cash payments of income taxes amounted to a payment of $8.3 million for the year ended December 31, 2024 (2023 — $8.3 million) which included less than $0.2 million of withholding taxes paid (2023 — less than $0.1 million).

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

As at December 31, 2024, the Trust had $8.9 million (2023 — $9.8 million) of unrecognized income tax benefits, (including $0.3 million (2023 — $0.1 million) related to accrued interest and penalties), all of which could ultimately reduce the Trust's effective tax rate should these tax benefits become recognized. The Trust believes that it has adequately provided for reasonably foreseeable outcomes related to tax examinations and that any resolution will not have a material effect on the consolidated combined financial position, results of operations, or cash flows. However, the Trust cannot predict with any level of certainty the exact nature of any future possible outcome.

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

| As at December 31, | | 2024 | 2023 |
|---|---|---|---|
| Unrecognized tax benefits balance, beginning of year | **$** | **9,795** | $ 10,279 |
| Decreases for tax positions of prior years | | **(1,613)** | (1,815) |
| Increases for tax positions of current year | | **494** | 1,244 |
| Foreign currency impact | | **208** | 87 |
| **Unrecognized tax benefits balance, end of year** | **$** | **8,884** | $ 9,795 |

It is reasonably possible that the gross unrecognized tax benefits, as of December 31, 2024, could decrease in the next 12 months. The quantum of the decrease could range between a nominal amount and $1.7 million (2023 — a nominal amount and $2.2 million) and relates primarily to tax years becoming statute barred for purposes of future tax examinations by local taxing authorities and the outcome of current tax examinations. For the year ended December 31, 2024, a nominal amount of interest and penalties was recorded (2023 — a nominal amount) as part of the provision for income taxes in the consolidated combined statements of net income.

As at December 31, 2024, the following tax years remained subject to examination:

| **Major Jurisdictions** | |
|---|---|
| Canada | 2020 through 2024 |
| United States | 2020 through 2024 |
| Austria | 2019 through 2024 |
| Germany | 2016 through 2024 |
| Netherlands | 2019 through 2024 |

As at December 31, 2024, the Trust has approximately $178.5 million (2023 — $330.7 million) of losses and other deductible temporary differences in various tax jurisdictions that the Trust believes are not probable to be realized. As a result, no deferred tax asset has been recognized for these losses and other deductible temporary differences as of December 31, 2024. Included in this number are Canadian capital loss carryforwards that do not expire of nil (2023 — $140.9 million).

The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognized as at December 31, 2024 is approximately $64.1 million (2023 — approximately $253.9 million).

## 14. SEGMENTED DISCLOSURES INFORMATION

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

**Revenue**

| **Years ended December 31,** | | **2024** | | | **2023** | |
|---|---|---|---|---|---|---|
| Canada | **$** | **96,593** | **17 %** | $ | 80,460 | 15 % |
| United States | | **314,179** | **55 %** | | 296,520 | 58 % |
| Austria | | **73,521** | **13 %** | | 63,825 | 12 % |
| Germany | | **41,050** | **7 %** | | 38,800 | 7 % |
| Netherlands | | **43,796** | **8 %** | | 41,645 | 8 % |
| | **$** | **569,139** | **100 %** | $ | 521,250 | 100 % |

For the year ended December 31, 2024, revenue from Magna International Inc. and its subsidiaries comprised approximately24% (2023 — 23%) of the Trust's total revenue.

**Investment Properties**

| **As at December 31,** | | **2024** | | | **2023** | |
|---|---|---|---|---|---|---|
| Canada | **$** | **2,111,977** | **22 %** | $ | 2,018,661 | 23 % |
| United States | | **5,043,622** | **54 %** | | 4,593,136 | 52 % |
| Austria | | **834,554** | **9 %** | | 819,002 | 9 % |
| Germany | | **625,670** | **7 %** | | 612,350 | 7 % |
| Netherlands | | **781,463** | **8 %** | | 764,990 | 9 % |
| | **$** | **9,397,286** | **100 %** | $ | 8,808,139 | 100 % |

## 15. DETAILS OF CASH FLOWS

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

| Years ended December 31, | | 2024 | | 2023 |
|---|---|---|---|---|
| Straight-line rent amortization | **$** | **(11,843)** | $ | (16,690) |
| Tenant incentive amortization | | **54** | | 4,403 |
| Unit-based compensation expense (note 11(b)) | | **5,360** | | 10,213 |
| Fair value (gains) losses on investment properties, net | | **(53,037)** | | 172,676 |
| Depreciation and amortization | | **1,289** | | 1,272 |
| Fair value (gains) losses on financial instruments, net (note 12(e)) | | **(5,166)** | | 17,296 |
| Loss on sale of investment properties | | **—** | | 1,505 |
| Amortization of issuance costs relating to debentures and term loans | | **2,421** | | 1,953 |
| Amortization of deferred financing costs | | **512** | | 535 |
| Deferred income tax expense (recovery) (note 13(a)) | | **22,178** | | (16,195) |
| Unrealized foreign exchange loss on the 2024 Term Loan[(1)] | | **15,383** | | — |
| Other | | **(19)** | | 33 |
| | **$** | **(22,868)** | $ | 177,001 |

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

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

| Years ended December 31, | | 2024 | | 20 |
|---|---|---|---|---|
| Accounts receivable | **$** | **(5,959)** | $ | (20 |
| Prepaid expenses and other | | **642** | | (3,39 |
| Accounts payable and accrued liabilities | | **(2,332)** | | (1,72 |
| Deferred revenue | | **(90)** | | 65 |
| | **$** | **(7,739)** | $ | (4,66 |

(c) Non-cash investing and financing activities

For the year ended December 31, 2024, 36 thousand units (2023 — 41 thousand units) with a value of $2.7 million (2023 — $3.4 million) were issued under the Restricted Unit Plan (note 11(b)) and are not recorded in the consolidated combined statements of cash flows.

In addition, for the year ended December 31, 2024, the total impact from the foreign currency translations on the unsecured debt and related derivatives of $23.2 million gain is not recorded in the consolidated combined statement of cash flows. For the year ended December 31, 2023, the total impact from the foreign currency translations on the secured debt, unsecured debt and related derivatives of $19.0 million loss was not recorded in the consolidated combined statement of cash flows.

(d) Cash and cash equivalents consist of:

| As at December 31, | 2024 | 2023 |
|---|---|---|
| Cash | **$ 126,175** | $ 115,714 |
| Short-term deposits | **—** | 420 |
| | **$ 126,175** | $ 116,134 |

## 16. FAIR VALUE AND RISK MANAGEMENT

### (a) Fair Value of Financial Instruments

The following table provides the measurement basis of financial assets and liabilities as at December 31, 2024 and December 31, 2023:

| As at December 31, | 2024 | | 2023 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial assets** | | | | |
| Other assets | **$ 264** [1] | **$ 264** | $ 283 [1] | $ 283 |
| Derivatives | **57,375** | **57,375** | 109,242 [2] | 109,242 |
| Accounts receivable | **18,347** | **18,347** | 12,166 | 12,166 |
| Prepaid expenses and other | **—** | **—** | 650 [3] | 650 |
| Cash and cash equivalents | **126,175** | **126,175** | 116,134 | 116,134 |
| | **$ 202,161** | **$ 202,161** | $ 238,475 | $ 238,475 |
| **Financial liabilities** | | | | |
| Unsecured debentures, net | **$ 2,689,317** | **$ 2,646,255** | $ 1,892,236 | $ 1,768,920 |
| Unsecured term loans, net | **389,136** | **389,136** | 1,173,746 [4] | 1,173,746 |
| Derivatives | **32,298** | **32,298** | 8,429 | 8,429 |
| Accounts payable and accrued liabilities | **99,074** [5] | **99,074** | 94,336 | 94,336 |
| Distributions payable | **17,762** | **17,762** | 17,415 | 17,415 |
| | **$ 3,227,587** | **$ 3,184,525** | $ 3,186,162 | $ 3,062,846 |

[1] Long-term receivables included in other assets (note 6).
[2] Balance included current and non-current portions of derivative assets (note 7(c)).
[3] As at December 31, 2023, foreign exchange collars of $0.7 million included in prepaid expenses and other.
[4] Balance included current and non-current portions of unsecured term loans, net (note 7(b)).
[5] As at December 31, 2024, foreign exchange collars of $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 term loans approximate their carrying amounts as the unsecured term loans bear interest at rates comparable to the current market rates. The fair values of the derivatives and foreign exchange collars are determined using market inputs quoted by their counterparties.

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

As at December 31, 2023, the Trust held 6 outstanding foreign exchange collar contracts with a notional value of US$36.0 million and contracts the Trust to sell US dollars and receive Canadian dollars if specific US dollar exchange rates relative to the Canadian dollar are met. As at December 31, 2023, the Trust also held 12 outstanding foreign exchange collars contracts with a notional value of €24.0 million and contracts the Trust to sell Euros and receive Canadian dollars if specific Euro exchange rates relative to the Canadian dollar are met. For the year ended December 31, 2023, the Trust recorded a net fair value gain of $3.1 million related to the outstanding foreign exchange collar contracts (note 12(e)). The Trust did not employ hedge accounting for these financial instruments.

**(b) Fair Value Hierarchy**

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

Level 1: Fair value determined using quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value determined using significant observable inputs, generally either quoted prices in active markets for similar assets or liabilities or quoted prices in markets that are not active.

Level 3: Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows or similar techniques.

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

| As at December 31, 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** |

| As at December 31, 2023 | | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **ASSETS AND LIABILITIES MEASURED OR DISCLOSED AT FAIR VALUE** | | | | |
| **Assets measured at fair value** | | | | |
| Investment properties (note 4) | $ | — | $ — | $ 8,808,139 |
| Derivatives (note 7) | | — | 109,242 | — |
| Foreign exchange collars included in prepaid expenses and other | | — | 650 | — |
| **Liabilities measured or disclosed at fair value** | | | | |
| Unsecured debentures, net (note 7) | | 1,768,920 | — | — |
| Unsecured term loans, net (note 7) | | — | 1,173,746 | — |
| Derivatives (note 7) | | — | 8,429 | — |
| **Net (liabilities) assets measured or disclosed at fair value** | **$** | **(1,768,920)** | **$ (1,072,283)** | **$ 8,808,139** |

For assets and liabilities that are measured at fair value on a recurring basis, the Trust determines whether transfers between the levels of the fair value hierarchy have occurred by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the years ended December 31, 2024 and 2023, there were no transfers between the levels.

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

**(c) Risk Management**

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

*(i) Credit risk*

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

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

Magna International Inc. and its subsidiaries accounted for approximately 24% of the Trust's rental revenue during the year ended December 31, 2024. Although its operating subsidiaries are not individually rated, Magna International Inc. has an investment grade credit rating from Moody's, S&P and DBRS Morningstar which mitigates the Trust's credit risk with respect to this tenant. Substantially all of the Trust's accounts receivable are collected within 30 days. The balance of accounts receivable past due is not significant.

*(ii) Interest rate risk*

As at December 31, 2024, the Trust's exposure to interest rate risk is limited. Approximately 87% of the Trust's interest bearing debt consists of fixed rate debt in the form of the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, the October 2029 Debentures, the 2030 Debentures and the 2031 Debentures. After taking into account the related derivatives where applicable, the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, the October 2029 Debentures, the 2030 Debentures and the 2031 Debentures have effective fixed interest rates of 2.964%, 1.004%, 4.929%, 3.494%, 1.045% and 4.348%, respectively. The remaining 13% of the Trust's interest bearing debt consists of variable rate debt in the form of the September 2026 Term Loan and the December 2026 Term Loan. After taking into account the related derivatives, the September 2026 Term Loan and the December 2026 Term Loan have effective fixed interest rates of 4.333% and 1.096%, respectively. Therefore, after taking into account the related derivatives, 100% of the Trust's interest bearing debt consists of fixed rate debt.

*(iii) Foreign exchange risk*

As at December 31, 2024, the Trust is exposed to foreign exchange risk primarily in respect of movements in the Euro and the US dollar. The Trust is structured such that its foreign operations are primarily conducted by entities with a functional currency which is the same as the economic environment in which the operations take place. As a result, the net income impact of currency risk associated with financial instruments is limited as its financial assets and liabilities are generally denominated in the functional currency of the subsidiary that holds the financial instrument. However, the Trust is exposed to foreign currency risk on its net investment in its foreign currency denominated operations and certain Trust level foreign currency denominated assets and liabilities. At December 31, 2024, the Trust's foreign currency denominated net assets are $6.7 billion 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 $47.0 million and $20.1 million, respectively, to comprehensive income.

Granite generates rental income that is not all denominated in Canadian dollars. Since the financial results are reported in Canadian dollars, the Trust is subject to foreign currency fluctuations that could, from time to time, have an impact on the operating results. For the year ended December 31, 2024, a 1% change in the US dollar and Euro exchange rates relative to the Canadian dollar would have impacted revenue by approximately $3.1 million and $1.6 million, respectively.

For the year ended December 31, 2024, the Trust has designated its derivatives relating to the unsecured debentures of $1.5 billion, unsecured term loan of $300.0 million and the combination of unsecured term loan and its related derivative of $89.4 million as hedges of its net investment in the European operations (note 7(c)). Furthermore, the Trust has designated its derivatives relating to the $650.0 million of unsecured debentures as hedges of its net investment in the United States operations (note 7(c)).

*(iv) Liquidity risk*

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

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

| | | Payments due by year | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **As at December 31, 2024** | **Total** | **2025** | **2026** | **2027** | **2028** | **2029** | **Thereafter** |
| Unsecured debentures | **$ 2,700,000** | $ — | $ — | $ 500,000 | $ 500,000 | $ 650,000 | $ 1,050,000 |
| Unsecured term loans | **389,443** | — | 389,443 | — | — | — | — |
| Derivatives | **32,298** | — | 1,502 | 13,255 | 11,941 | 5,600 | — |
| Interest payments[1]: | | | | | | | |
| Unsecured debentures, net of derivatives | **393,865** | 79,171 | 79,171 | 71,352 | 63,534 | 47,830 | 52,807 |
| Unsecured term loans, net of derivatives | **13,671** | 7,294 | 6,377 | — | — | — | — |
| Accounts payable and accrued liabilities | **99,074** | 95,214 | 3,057 | 803 | — | — | — |
| Distributions payable | **17,762** | 17,762 | — | — | — | — | — |
| | **$ 3,646,113** | **$ 199,441** | **$ 479,550** | **$ 585,410** | **$ 575,475** | **$ 703,430** | **$ 1,102,807** |

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

## 17. CAPITAL MANAGEMENT

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

| As at December 31, | | 2024 | | 2023 |
|---|---|---|---|---|
| Unsecured debentures, net | **$** | **2,689,317** | $ | 1,892,236 |
| Unsecured term loans, net | | **389,136** | | 1,173,746 |
| Derivative (assets) liabilities, net[(1)] | | **(25,077)** | | (100,813) |
| Total debt | | **3,053,376** | | 2,965,169 |
| Unitholders' equity | | **5,728,236** | | 5,276,951 |
| **Total managed capital** | **$** | **8,781,612** | $ | 8,242,120 |

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

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

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

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

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

At December 31, 2024, the Trust's consolidated combined debt consists of the unsecured debentures, the unsecured term loans and the unsecured revolving credit facility when drawn, each of which have various financial covenants. These covenants are defined within the trust indenture, the term loan agreements and the revolving credit facility agreement and, depending on the debt instrument, include a total indebtedness ratio, a secured indebtedness ratio, an interest coverage ratio, an unencumbered asset ratio, and a minimum equity threshold. These covenants are tested quarterly for compliance and the Trust was in compliance with their respective requirements as at December 31, 2024 and 2023.

Distributions are made at the discretion of the Board of Trustees (the “Board”) and Granite REIT intends to distribute each year all of its taxable income pursuant to its Amended and Restated Declaration of Trust as calculated in accordance with the Income Tax Act. For the fiscal year 2024, the Trust declared a monthly distribution of $0.2750 per unit from January to November and a monthly distribution of $0.2833 per unit for the month of December. The Board determines monthly distribution levels having considered, among other factors, estimated 2024 and 2025 cash generated from operations and capital requirements, the alignment of its current and targeted payout ratios with the Trust’s strategic objectives and compliance with the above noted financial covenants.

## 18. RELATED PARTY TRANSACTIONS

For the years ended December 31, 2024 and 2023, key management personnel include the Trustees/Directors, the President and Chief Executive Officer, the Chief Financial Officer, the Executive Vice President, Head of Global Real Estate, the Executive Vice President, Global Real Estate and Head of Investments and the Executive Vice President, General Counsel. Information with respect to the Trustees’/Directors’ fees is included in notes 11(b) and 12(c). The compensation paid or payable to the Trust’s key management personnel was as follows:

| **Years ended December 31,** | | **2024** | **2023** |
|---|---|---|---|
| Salaries, incentives and short-term benefits | **$** | **5,383** | $ 5,649 |
| Unit-based compensation expense including fair value adjustments | | **2,807** | 2,959 |
| | **$** | **8,190** | $ 8,608 |

## 19. COMMITMENTS AND CONTINGENCIES

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

(b) As at December 31, 2024, the Trust's contractual commitments totaled $12.1 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, $139.9 million (US$97.1 million) of bonds were assumed. The authorized amount of the bonds is $149.8 million (US$104.0 million), of which $75.8 million (US$52.6 million) was outstanding as at December 31, 2024. The bonds provide for a real estate tax abatement for the acquired investment properties. Through a series of transactions, the Trust is both the bondholder and the obligor of the bonds. Therefore, in accordance with IAS 32, the bonds are not recorded in the consolidated combined balance sheets.

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

## 20. SUBSEQUENT EVENTS

(a) Subsequent to December 31, 2024, the Trust declared distributions for January 2025 of $17.6 million or $0.2833 per unit and distributions for February 2025 of $0.2833 per unit (note 10) .

(b) Subsequent to December 31, 2024, Granite repurchased 459,100 units under the NCIB at an average unit cost of $68.75 for total consideration of $31.6 million, excluding commissions and taxes on net repurchases of units.

(c) On February 4, 2025, Granite LP completed an offering of $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"). The 2026 Debentures are guaranteed by Granite REIT and Granite GP.

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, using the net proceeds from the offering of the 2026 Debentures.

# REIT Information

## 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*

## Office Location

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## Investor Relations Queries

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*President and Chief Executive Officer*
(647) 925-7500

**Teresa Neto**
*Chief Financial Officer*
(647) 925-7560

## Transfer Agents and Registrars

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462 S. 4th Street
Louisville, Kentucky, USA 40202

## 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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GRANITE REIT

# Annual Report 2024

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## LETTER TO UNITHOLDERS

Dear Unitholders:

The listed real estate sector continued to face challenges in 2024, as market optimism for lower inflation and interest rates in the second and third quarter was replaced in the latter part of the year by fears of persistent inflation and rates staying "higher for longer". Significant volatility at the long end of the curve persisted as a result, and the 10-yr GoC and UST increased by 13bps and 63bps, respectively, over 2023. The potentially negative impact of proposed U.S. tariffs on economic growth and inflation further dampened investor sentiment heading into 2025.

Likely associated with the uncertainty in rates and a slowdown in economic growth, demand for logistics space continued to moderate generally across the industrial sector, as occupiers remained selective in their expansion plans. Similarly, investment volumes, while higher than in 2023, remained well below the extraordinary levels of 2021 and 2022.

With these conditions in mind, Granite established the following priorities for 2024:

- Driving Net Asset Value ("NAV"), Funds from Operations[(1)] ("FFO") and Adjusted Funds from Operations[(1)] ("AFFO") 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 active development and expansion projects in Europe and the Greater Toronto Area ("GTA");
- Selectively pursuing strategic land and income-producing property acquisition opportunities in our target markets; and
- Achieving our ESG targets for 2024 and beyond.

Overall, Granite successfully executed on the priorities summarized above. Our financial performance was evident once again, as Granite delivered strong year-over-year FFO per unit growth following two consecutive years of double-digit growth. This steady growth in FFO and AFFO per unit enabled Granite to increase its annual distribution for the fourteenth consecutive year since inception, commencing in 2025. NAV per unit increased from 2023 largely due to an unprecedented increase in the strength of the U.S. dollar and the Euro relative to the Canadian dollar, accretion from the allocation of capital to our normal course issuer bid ("NCIB") program, strong net operating income ("NOI") growth and the successful stabilization of the majority of our development and expansion projects from this year.

Given the conditions in the investment market, and the continued disconnect between private and public valuations, Granite once again remained on the sidelines in terms of external growth, choosing instead to allocate our free cash flow to our NCIB program, debt reduction, and the completion of our active development and expansion projects. Our ESG performance exceeded expectations for 2024. Further detail on our accomplishments is provided in the Highlights for 2024 section below, but it is worth noting here that Granite once again received the top overall score among our peers in North America from the Global Real Estate Sustainability Benchmark ("GRESB"), the leading ESG benchmark for the real estate sector globally.

With respect to our financial performance, FFO and AFFO per unit increased 9.5% and 8.0% over 2023, respectively, due primarily to solid increases in same property net operating income - cash basis ("SPNOI - cash basis")[(1)] and development and expansion stabilizations. Granite recorded $53 million in net fair value gains in 2024, primarily due to the stabilization of some of our development and expansion projects and positive leasing spreads on renewals, partially offset by the expansion of discount and terminal capitalization rates in select markets. Further increasing investment property values were unrealized foreign exchange gains of $465 million resulting in a net increase to investment properties of $589 million to $9.4 billion as at December 31, 2024.

Despite a slight increase in vacancy, due primarily to a bankruptcy of a tenant at one of Granite's properties, but largely offset by progress made on the lease-up of Granite's 2023 speculative developments, 2024 was another strong year operationally for Granite, as demonstrated by year over year growth in achieved rental rates and SPNOI - cash basis. In 2024, Granite completed 10.0 million square feet of renewals and new leases with a 92% renewal rate, an average increase in rental rates of 15% and finished the year with a committed occupancy rate of 95.0%.

During 2024, Granite invested approximately $27 million into its active development and expansion pipeline, including the completion of 3 projects comprising 0.5 million of additional square feet. Together with development projects completed in 2023, these recently developed properties totaling 3.9 million square feet, and which were 65% occupied as of December 31, 2024, will generate roughly $11.9 million in incremental annualized revenue when fully leased.

2024 was a busy year for Granite from a financing perspective, as we opportunistically exploited market conditions to drive NAV per unit growth. Granite repurchased $45.8 million of equity under its NCIB program, representing 0.7 million units at an average unit cost of $68.64. In October, Granite issued its largest dual tranche bond to date totaling $800 million, the net proceeds of which were used to prepay in full, without penalty, its US$400 million unsecured term loan which had a maturity date of September 2025 and to repay in full its US$185 million unsecured term loan at its maturity in December 2024. As a result of these transactions, Granite's weighted average term-to-maturity increased to 4.3 years while its weighted average cost of debt increased by only 15 bps to 2.74%. Granite's balance sheet at the end of 2024 remains strong, with over $1.1 billion of liquidity and net leverage[(1)] of 32%.

ESG continued to be a focus in 2024 and strong progress was made in a number of key areas of our program. Most notably, Granite once again improved its performance in the GRESB Assessment for 2024, where Granite ranked 1st out of 10 in the United States | Industrial GRESB peer group which evaluates the level of ESG disclosure by listed property companies and REITs. Granite also maintained its 1st place standing out of 7 (1st place for two years running) in the North American | Industrial | Listed | Tenant Controlled GRESB peer group with a score of 77 (-2 from 2023 as a result of significant changes to the GRESB scoring methodology) and maintained a 3-star rating. As at December 31, 2024, Granite has allocated $1.2 billion of the net proceeds of its issued green bonds towards eligible green projects, related primarily to the new construction of certified green buildings. This year, Granite 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 2025, so it has once again increased its target to 50 MW of electricity by 2025. During 2024, Granite has more than doubled its peak generation capacity bringing its total capacity of its onsite solar PV systems to 49.4 MW now operational on Granite properties. Lastly, in 2024, Granite obtained 14 new green building certifications (3 of which were Two Green Globes for new construction, 1 of which was BREEAM Excellent for new construction, and 10 of which were Institute of Real Estate

Management (IREM) Certified Sustainable Properties (CSP) certifications). As at December 31, 2024 Granite has obtained green-building certifications at 54% of its portfolio by floor area, exceeding its objective of 30% by 2030.

Finally, on October 1st, 2024 Granite simplified its capital structure by uncoupling its stapled unit structure and replacing it with a conventional REIT trust unit structure.

I would like to recognize our employees for their commitment and performance in 2024.

Before moving on to our outlook and a summary of our priorities for 2025, please see below for a summary of major results and activities from 2024.

## HIGHLIGHTS FOR 2024

### Unitholder Return and Increased Distribution

- -4.3% total return for 2024 (vs -1.9% for the S&P TSX Capped REIT Index and 21.7% for the S&P/TSX Composite Index); and
- 3.03% year-over-year increase in the annual amount distributed to unitholders to $3.40 per unit commencing December 2024, marking a fourteenth consecutive annual distribution increase. Granite's AFFO payout ratio(1) remained conservative at 68% for 2024.

### Strategic Allocation of Capital

- $45.8 million of equity repurchased under Granite's NCIB representing 0.7 million units at an average unit cost of $68.64;
- $250 million of new unsecured debentures, issued in October 2024 for a 5-year term bearing a fixed interest rate of 3.494% including the cross-currency interest rate swap;
- $550 million of new unsecured debentures, issued in October 2024 for a 7-year term bearing a fixed interest rate of 4.348%;
- US$400 million unsecured term loan due September 2025, with a fixed interest rate of 5.016% including the impact of an interest rate swap, was prepaid in October 2024 with no prepayment penalty;
- US$185 million unsecured term loan due December 2024, with a fixed interest rate of 0.267% including the impact of a cross currency interest rate swap, was repaid at maturity;
- €10 million of a €70 million unsecured term loan due September 2026, with a fixed rate of 4.3325% including the impact of an interest rate swap, was prepaid in December 2024 with no prepayment penalty;
- $1.1 billion of available liquidity(1), comprised of $1.0 billion undrawn credit facility and $126.2 million in cash, at the end of the year;
- Net leverage ratio(1) of 32% and net debt-to-EBITDA of 6.8x; and
- Credit rating of BBB (high) stable by Morningstar DBRS, recognizing Granite's sector-leading credit metrics.

### Portfolio Enhancement and Tenant Diversification

- 3 completed development and expansion projects contributing 0.5 million of additional square feet of gross leasable area. Together with development projects completed in 2023, these properties are collectively 65% leased as of December 31, 2024, and expected to generate an incremental $11.9 million of annualized NOI once fully leased;

- 2 site plan approval commitments having total projected costs of $13 million and remaining commitments of $7 million; and
- Magna concentration stable at 19% as a percentage of gross leasable area, and 26% as a percentage of annualized revenue.

**Financial and Operational Performance**

- FFO and AFFO per unit of $5.44 and $4.86, respectively, representing a year-over-year increase of 9.5% and 8.0%, respectively;
- SPNOI - cash basis four quarter average year-over-year growth, on a constant currency basis[1)], of 5.9%;
- $53 million in net fair value gains realized primarily due to the stabilization of our development and expansion projects, and positive leasing spreads on renewals, partially offset by the expansion of discount and terminal capitalization rates in select markets. The positive impact on NAV as a result of the fair value gains was further enhanced by unrealized foreign currency translation gains of $465 million as a result of the relative weakening of the Canadian dollar against both the U.S. dollar and the Euro from December 31, 2023 to December 31, 2024;
- 10.0 million square feet of space renewed or re-leased with a 92% renewal rate and at an average increase in base rent of 15%; and
- Committed occupancy rate as at December 31, 2024 of 95.0%.

**Environmental, Social, Governance and Resilience (ESG+R) Performance**

- Ranked 1st out of 10 in the United States of America | Industrial GRESB peer group which evaluates the level of ESG disclosure by listed property companies and REITs. Granite also achieved a score of A in the 2024 GRESB Public Disclosure Report;
- Granite's GRESB score decreased by 2 points compared to 2023 due to significant changes to the GRESB scoring methodology, but Granite was able to main its position of 1st place out of 7 in the North American Industrial | Listed | Tenant Controlled peer group in 2024, along with maintaining a 3-star rating;
- Published Granite's 4th annual comprehensive Corporate ESG+R Report; and
- $1.2 billion of green bond net proceeds allocated to date towards Eligible Green Projects, as defined by Granite's Green Bond Framework, representing 100%, 100%, and 48.1% of the net proceeds of the 2027 Green Bond, the 2028 Green Bond and the 2029 Green Bond, respectively.

## OUTLOOK

Despite challenging market and economic conditions, Granite finished 2024 on a strong note, with SPNOI - cash basis growth of 6.3% in the fourth quarter as compared with the fourth quarter of 2023, with further growth expected in 2025. Market rents continue to moderate broadly, but leasing spreads overall remain strongly positive on our new and renewal leasing activity. To date, Granite has executed renewals for 66% of the 5.3 million square feet of 2025 lease maturities at an average increase in rental rate of approximately 43%. The stabilization of Granite's recent development deliveries in 2023 and 2024 is also expected to support further FFO, AFFO and NAV growth in 2025 and 2026.

In 2025, Granite has continued to prudently allocate capital to its NCIB, repurchasing another $31.6 million of equity, representing 0.5 million units at an average cost of $68.75, delivering accretive FFO, AFFO and NAV per unit growth. Granite also opportunistically issued its inaugural floating rate note totaling $300 million, the net proceeds of which were used to prepay its $300 million unsecured term loan which had a maturity date of December 11, 2026,

saving Granite approximately $0.03 per unit per annum in interest expense for the next two years and reducing its weighted average cost of debt back down to 2.66%. With Granite's next debt maturity now in September 2026, it expects interest expense to remain stable for the two year period, significantly de-risking its refinancing activities. Granite will continue to allocate its free cash flow to its active development projects throughout 2025, including to fund US$50 million toward an approximately 391,000 square foot build-to-suit project at the third phase of its Houston, Texas development site. Granite has signed a 12-year lease with a leading global consumer food product company that will commence upon the completion of the property expected to occur in the fourth quarter of 2026, and is expected to generate a stabilized development yield of approximately 7.5%.

Thus far in 2025, risks associated with stagnating economic growth, the potential for persistent inflation in the USA, the uncertainty around the timing and extent of tariffs being imposed by the USA on its trading partners, and geopolitical instability remain elevated. However, as a result of prudent capital allocation, our liquidity and balance sheet capacity remain high, and we are well positioned to continue to fund our active development projects in 2025 and deploy capital selectively on strategic growth opportunities in our target markets. Furthermore, we expect NOI and FFO growth to continue to be strong over the next few years, resulting from a combination of increases in SPNOI – cash basis and the stabilization of our expansion and development projects. Market conditions may continue to be challenging for REITs in the near term, but the combination of a quality portfolio, conservative balance sheet, experienced management team and track record of earnings growth should position Granite well for strong performance in 2025.

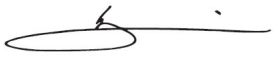
For the remainder of 2025, Granite will focus on the following priorities:

- Driving FFO and 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;
- Assessing development, re-development and expansion opportunities in the U.S., Europe and the GTA;
- Selectively pursuing strategic land and income-producing property acquisition opportunities in our target markets; and
- Advancing Granite's Environmental, Social, Governance and Resilience (ESG+R) program and meeting established targets and compliance requirements.

Successfully executing on these priorities, we believe, will continue to strengthen Granite's position as one of the sector's leaders and ultimately maximize long-term value for our unitholders.

All of us at Granite thank you for your continued trust and support.

Sincerely,



Kevan Gorrie,
President and Chief Executive Officer

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

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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 consolidated combined operating results, financial condition, liquidity and cash flows of Granite REIT and its subsidiaries (collectively "Granite" or the "Trust") for the year ended December 31, 2024. Unless otherwise noted, all amounts are in millions of Canadian dollars. This MD&A should be read in conjunction with the accompanying audited consolidated combined financial statements for the year ended December 31, 2024 prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards" or "GAAP"). The MD&A was prepared as at February 26, 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.

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 December 31, | | Years Ended December 31, | | Year Ended December 31, |
|---|---|---|---|---|---|
| *(in millions, except as noted)* | **2024** | **2023** | **2024** | **2023** | **2022** |
| **Operating highlights** | | | | | |
| Revenue | **$148.0** | $129.8 | **$569.1** | $521.2 | $455.6 |
| Net operating income ("NOI") | **121.2** | 110.0 | **472.0** | 435.2 | 380.4 |
| NOI - cash basis[(1)] | **118.6** | 108.0 | **459.8** | 422.9 | 373.9 |
| Net income attributable to unitholders | **83.7** | 31.4 | **360.6** | 136.7 | 155.8 |
| FFO[(1)] | **92.7** | 81.2 | **343.9** | 317.6 | 289.3 |
| AFFO[(1)] | **78.8** | 73.2 | **307.1** | 287.4 | 264.2 |
| Cash provided by operating activities | **71.2** | 76.0 | **338.6** | 313.1 | 277.5 |
| Monthly distributions paid | **51.8** | 50.9 | **207.9** | 203.9 | 202.3 |
| FFO payout ratio[(1)(2)] | **56 %** | 63 % | **61 %** | 64 % | 70 % |
| AFFO payout ratio[(1)(2)] | **66 %** | 70 % | **68 %** | 71 % | 77 % |
| | | | | | |
| **Per unit amounts** | | | | | |
| Diluted FFO[(1)] | **$1.47** | $1.27 | **$5.44** | $4.97 | $4.43 |
| Diluted AFFO[(1)] | **$1.25** | $1.15 | **$4.86** | $4.50 | $4.05 |
| Monthly distributions paid | **$0.83** | $0.80 | **$3.30** | $3.20 | $3.10 |
| Diluted weighted average number of units | **63.0** | 63.8 | **63.2** | 63.9 | 65.3 |

| As at December 31, | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Financial highlights** | | | |
| Investment properties - fair value | **$9,397.3** | $8,808.1 | $8,839.6 |
| Assets held for sale [10] | **—** | — | 41.2 |
| Cash and cash equivalents | **126.2** | 116.1 | 135.1 |
| Total debt [3] | **3,087.8** | 2,998.4 | 2,930.3 |
| Trading price per unit (TSX: GRT.UN) | **$69.24** | $76.28 | $69.03 |
| | | | |
| **Debt metrics, ratings and outlook** | | | |
| Net leverage ratio [1] | **32 %** | 33 % | 32 % |
| Interest coverage ratio [1] | **5.3x** | 5.5x | 7.1x |
| Indebtedness ratio (total debt to adjusted EBITDA) [1] | **7.1x** | 7.6x | 8.3x |
| Weighted average cost of debt [4] | **2.74 %** | 2.59 % | 2.28 % |
| Weighted average debt term-to-maturity, in years [4] | **4.3** | 3.9 | 4.1 |
| Morningstar DBRS rating and outlook | **BBB (high) stable** | BBB (high) stable | BBB (high) stable |
| Moody's rating and outlook [9] | **Baa2 Stable** | Baa2 Stable | Baa2 Stable |
| | | | |
| **Property metrics** | | | |
| Number of investment properties | **143** | 143 | 140 |
| Income-producing properties | **138** | 137 | 128 |
| Development properties [7] | **5** | 6 | 12 |
| Gross leasable area ("GLA"), square feet | **63.3** | 62.9 | 59.4 |
| Occupancy, by GLA | **94.9 %** | 95.0 % | 99.6 % |
| Committed occupancy, by GLA [8] | **95.0 %** | NA | NA |
| Magna as a percentage of annualized revenue [5] | **26 %** | 26 % | 26 % |
| Magna as a percentage of GLA | **19 %** | 19 % | 20 % |
| Weighted average lease term in years, by GLA | **5.7** | 6.2 | 5.9 |
| Overall capitalization rate [6] | **5.3 %** | 5.2 % | 4.9 % |

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

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

[3] Total debt includes lease obligations recognized under IFRS 16, *Leases*.

[4] Excludes lease obligations recognized under IFRS 16, *Leases*.

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

[6] Refer to "Valuation Metrics by Asset Category" in the "*INVESTMENT PROPERTIES*" section.

[7] Development properties include properties under development and land held for development.

[8] Committed occupancy as at February 26, 2025.

[9] Refer to the section "*SIGNIFICANT MATTERS - Subsequent Events*".

[10] Assets held for sale are excluded from investment properties and related property metrics. Accordingly, two such assets that were held for sale at December 31, 2022 were excluded from investment properties and related metrics at December 31, 2022.

## SIGNIFICANT MATTERS

### Construction and Development Commitments

Granite had the following construction and development commitments as at December 31, 2024:

| Commitments<br>*(in millions, except as noted)*<br>Property Location | Additional sq ft | Accruals/ Payments/ Deposits Made | Future Commitments [1] | Total Cost | Year-One Stabilized Yield [2] |
|---|---|---|---|---|---|
| **As at December 31, 2024:** | | | | | |
| ***Development and construction:*** | | | | | |
| Site plan approval for a development in Brantford, ON | 0.7 | 4.6 | 1.3 | **5.9** | — % |
| Site plan approval and site infrastructure for a development in Houston, TX | 1.3 | 1.1 | 5.5 | **6.6** | — % |
| Other construction commitments | — | 2.7 | 5.3 | **8.0** | — % |
| | **2.0** | **$ 8.4** | **$ 12.1** | **$ 20.5** | **— %** |

[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 fourth quarter of 2024:

- 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; and
- Granite continued the site plan approval process and site infrastructure work for the third phase of its site in Houston, Texas for up to 1.3 million square feet.

Subsequent to the fourth quarter of 2024:

- Granite signed a 12-year lease agreement with a leading global consumer food product company for approximately 391,000 square feet to be constructed as the third phase of the development site in Houston, Texas for approximately US$50.0 million. The lease will commence upon completion of the property, which is expected to occur in the fourth quarter of 2026 and is expected to generate a stabilized development yield of approximately 7.5%.

**Stapled Unit Structure**

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

**Issuance of Unsecured Debentures**

On October 4, 2024, Granite REIT Holdings Limited Partnership (“Granite LP”) completed an offering of $800 million aggregate principal amount of senior unsecured debentures in two series (the “Offering”), which includes (i) $250 million aggregate principal amount of 3.999% Series 8 senior unsecured debentures due October 4, 2029 (the "October 2029 Debentures") and (ii) $550 million aggregate principal amount of 4.348% Series 9 senior unsecured debentures due October 4, 2031 (the "2031 Debentures"). The October 2029 Debentures and the 2031 Debentures are guaranteed by Granite REIT and Granite GP. The net proceeds from the Offering were used to refinance existing debt, including the early repayment of Granite LP’s US$400 million 2025 Term Loan (see below) and full repayment of Granite LP’s US$185 million senior unsecured non-revolving term facility on its maturity of December 19, 2024, and for general corporate purposes.

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

**2025 Term Loan Repayment**

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

**Increase in Distributions**

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

**Equity Base Shelf Prospectus**

On November 27, 2024, following the completion of the Arrangement, Granite REIT filed and obtained a receipt for a new base shelf prospectus for equity securities (the "Equity Shelf Prospectus") relying on the well-known seasoned issuer exemption. Granite REIT has filed the Equity Shelf Prospectus to maintain financial flexibility and to have the ability to offer securities on an accelerated basis pursuant to the filing of prospectus supplements. There is no certainty that any securities will be offered or sold under the Equity Shelf Prospectus. The Equity Shelf Prospectus is valid for a 25-month period, during which time Granite REIT may offer and issue, from time to time, units, convertible debentures, subscription receipts, warrants, securities comprised of more than one of units, convertible debentures, subscription receipts and/or warrants offered together as a unit, or any combination thereof. Each offering under the Equity Shelf Prospectus will require the filing of a prospectus supplement that will include the specific terms of the securities being offered at that time.

**Normal Course Issuer Bid ("NCIB")**

During the fourth quarter, Granite repurchased 23,000 units under the NCIB at an average unit cost of $69.08 for total consideration of $1.6 million, excluding commissions and taxes on net repurchases of units.

## Subsequent Events

### Withdrawal of Moody’s Ratings

On January 16, 2025, Moody's withdrew all credit ratings of Granite at Granite's request. The outlook prior to the withdrawal was stable.

### Issuance of Unsecured Debentures

On February 4, 2025, Granite LP completed an offering of $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"). The 2026 Debentures are guaranteed by Granite REIT and Granite GP.

Through an existing cross currency interest rate swap, Granite LP has exchanged the Canadian dollar denominated principal and floating rate interest payments related to the 2026 Debentures for Euro denominated principal and fixed interest payments, resulting in an effective fixed interest rate of 0.27% per annum for the term of the 2026 Debentures.

### December 2026 Term Loan Repayment

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, using the net proceeds from the offering of the 2026 Debentures.

### Normal Course Issuer Bid

Subsequent to December 31, 2024, Granite repurchased 459,100 units under the NCIB at an average unit cost of $68.75 for total consideration of $31.6 million, excluding commissions and taxes on net repurchases of units.

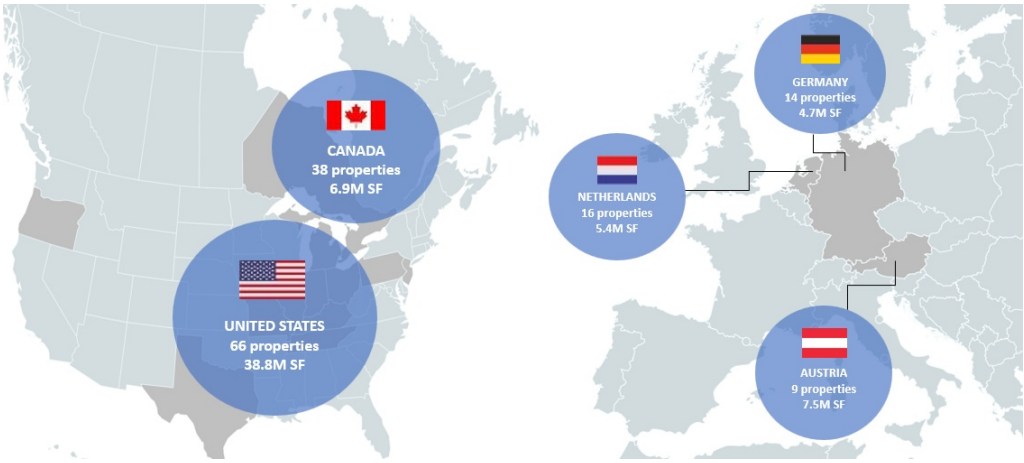
## BUSINESS OVERVIEW AND STRATEGIC OUTLOOK

### Business Overview

Granite is a Canadian-based real estate investment trust ("REIT") engaged in the acquisition, development, ownership and management of logistics, warehouse and industrial properties in North America and Europe. As at February 26, 2025, Granite owns 143 investment properties in five countries having approximately 63.3 million square feet of gross leasable area. Granite has a highly-integrated team of real estate professionals with extensive experience in operations, leasing, development, investment and asset management located at its head office in Toronto, Canada and regional offices in Dallas, United States; Vienna, Austria; and Amsterdam, Netherlands.

Granite's investment properties consist of income-producing properties and development properties (see "*INVESTMENT PROPERTIES*"). The income-producing properties consist primarily of logistics, e-commerce and distribution warehouses, and light industrial and heavy industrial manufacturing properties. Lease payments are primarily denominated in three currencies: the Canadian dollar ("$"), the Euro ("€") and the US dollar ("US$"). Granite's investment properties by geographic location, property count and square footage as at February 26, 2025 are summarized below:

**Investment Properties Summary**
**Five countries/143 properties/63.3 million square feet**




### Strategic Outlook

Management continues to identify and pursue value creation and investment opportunities that management 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 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 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;
- Assessing development, re-development and expansion opportunities in the U.S., Europe, and the GTA;
- Selectively pursuing strategic land and income-producing property acquisition opportunities in our target markets; and
- Advancing Granite's Environmental, Social, Governance and Resilience (ESG+R) program and meeting established targets and compliance requirements.

## 2025 OUTLOOK

For 2025, Granite forecasts FFO per unit within a range of $5.70 to $5.85, representing an approximate 5% to 8% increase over 2024, and Granite forecasts AFFO per unit to be within a range of $4.80 to $4.95, representing an increase of approximately flat to 2% over 2024. The FFO per unit forecast includes assumptions of some new leasing of vacant space primarily in the second half of 2025. In terms of AFFO-related capital expenditures, Granite is assuming expenditures of approximately $40.0 million which is higher than actual AFFO-related capital expenditures of $25.1 million in 2024. The increase in AFFO-related capital expenditures is related mostly to additional roofing and parking lot work planned for 2025 as well as additional forecasted spend on tenant allowances in support of leasing activity. The high and low ranges are driven by foreign currency exchange rate assumptions where for the high end of the range Granite is assuming foreign exchange rates of the Canadian dollar to Euro of 1.50 and the Canadian dollar to US dollar of 1.45. On the low end of the range, Granite is assuming exchange rates of the Canadian dollar to Euro of 1.45 and the Canadian dollar to US dollar of 1.40. Granite forecasts constant currency same property NOI – cash basis to be within a range of 4.5% to 6.0%, based on a four-quarter average over 2025. Granite's 2025 forecasts assume no acquisitions and dispositions, and assume 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 forecasts above (see "NON-GAAP PERFORMANCE MEASURES"). See also "FORWARD-LOOKING STATEMENTS".*

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

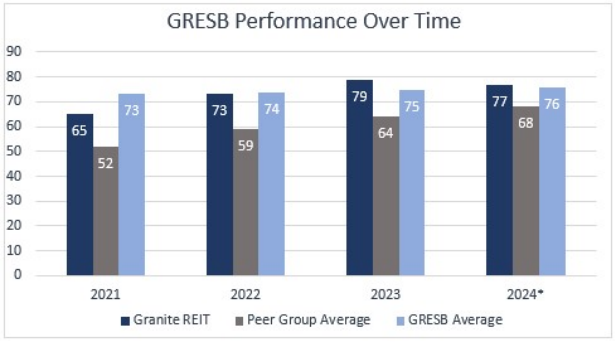
Granite recognizes the important role building owners can play in fostering the efficient use of resources and respecting our environment. As a good steward for investors, Granite seeks to practically incorporate sustainability in its actions and decision-making process, while generating returns for 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 SASB[1], GRESB[2], GRI[3] and TCFD[4]. Data provided herein has been reviewed by a third-party ESG+R consultant and represents a snapshot of current performance.

**2024 GRESB**




GRESB
2024

*2024 GRESB scoring methodology realized significant changes versus prior year.







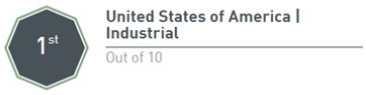
GRESB assesses and scores the Environmental, Social, and Governance ("ESG") performance of real estate portfolios around the world and in 2024, increased to over 2,200 participants. In 2024, Granite's score decreased by 2 points compared to the prior year as a result of significant changes to the GRESB scoring methodology, but still maintained a 1st place ranking in its peer group and a 3-star rating.

**2024 GRESB Public Disclosure Report**










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

In GRESB's 2024 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 properties[5];
- 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 2025[6]. Solar PV systems with peak generation capacity of 49.35 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;
- Granite sent all tenants an annual ESG+R metrics survey for the fiscal year 2023 in the first quarter of 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 include LED lighting installed at 9 properties, EV charging stations added to 6 properties and automatic water meter reading systems installed at 21 properties, promoting energy and water savings across Granite's portfolio; 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, 54% by floor area, or 42% by income-producing property count has been certified. Below is a list of Granite's properties that have achieved a green certification.

[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.

[6] Onsite solar projects were installed at a total of 16 Granite assets as at December 31, 2024.

| 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 |
| 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 |
| 1243 Gregory Dr. | 0.5 | Antioch, IL | LEED Core and Shell Development | Silver |
| 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 |

| Property | Size (Sq ft) in millions | Location | Certification Type | Level |
|---|---|---|---|---|
| 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 | Certified |
| 330 East Stateline Rd. | 0.9 | Southaven, MS | IREM Certified Sustainable Property | Certified |
| 8650 Commerce Dr. | 0.7 | Southaven, MS | IREM Certified Sustainable Property | Certified |
| 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; BREEAM USA in Use | Certified; Good |
| 100 Enterprise Pkwy. | 1.2 | West Jefferson, OH | BREEAM USA In Use | Good |
| 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 |
| 1901 Beggrow St. | 0.8 | Columbus, OH | IREM Certified Sustainable Property | Certified |
| 5415 Centerpoint Pkwy. | 0.5 | Columbus, OH | IREM Certified Sustainable Property | Certified |
| 8741 Jacquemin Dr. | 0.6 | West Chester, OH | IREM Certified Sustainable Property | Certified |
| 18201 NE Portal Way | 0.3 | Portland, OR | IREM Certified Sustainable Property | Certified |
| 12 Tradeport Rd. | 1.4 | Hanover Township, PA | BREEAM USA in Use | Good |
| 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 | BREEAM USA In Use | Good |
| 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** | **34.2** | | | |
| **% of GLA** | **54 %** | | | |

**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;
- As part of Granite's due diligence process, it assesses 100% of potential acquisitions for ESG+R and identifies areas for improvement;
- Granite operates under a hybrid working model, providing enhanced work from home flexibility during the work week;
- In September and October 2024, Granite held regional staff retreats in Amsterdam, Toronto and Dallas where internal staff and third-party consultants presented updates on recent market trends, company performance, and current projects to all employees. In addition, staff volunteered through local charitable organizations and had the opportunity to participate in various team-bonding events; and
- Granite's global staff logged 1,385 hours for training and education in 2024, supporting the personal and professional development of Granite's employees.

**Governance —** ***Actions & Performance***

- Granite's 2023 ESG+R Report was issued on August 7, 2024 and 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;
- Granite submitted to GRESB in June 2024 and received a 1st place ranking in its peer group;
- With a score of 90 out of 100, Granite ranked 36th and the second top real estate entity in the 2024 Globe & Mail Board Games governance ranking, out of a total 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;
- Granite regularly evaluates its properties for physical and transition climate-change risks based on thresholds for higher risk perils as a percent of total portfolio value, and establishes strategies to mitigate risks; and
- Granite uses the Moody's ESG Solutions Climate on Demand tool to manage climate-related analytics which generates 1-100 risk scores in six physical categories of climate-related risks: sea-level rise, floods, hurricanes, heat stress, water stress and wildfires.

## RESULTS OF OPERATIONS

### Net Income

The following is a summary of financial information from the audited consolidated combined statements ofnet income for the three months and years ended December 31, 2024 and 2023, respectively:

**Net Income**

| | Three Months Ended December 31, | | | Years Ended December 31, | | |
|---|---|---|---|---|---|---|
| *(in millions, except as noted)* | **2024** | **2023** | **$ change** | **2024** | **2023** | **$ change** |
| Rental revenue | $ 148.0 | $ 129.8 | 18.2 | $ 568.6 | $ 521.2 | 47.4 |
| Lease termination and close-out fees | — | — | — | 0.5 | — | 0.5 |
| **Revenue** | **148.0** | **129.8** | **18.2** | **569.1** | **521.2** | **47.9** |
| Property operating costs | 26.8 | 19.8 | 7.0 | 97.1 | 86.0 | 11.1 |
| **Net operating income** | **121.2** | **110.0** | **11.2** | **472.0** | **435.2** | **36.8** |
| General and administrative expenses | 8.3 | 9.4 | (1.1) | 38.9 | 41.4 | (2.5) |
| Depreciation and amortization | 0.3 | 0.4 | (0.1) | 1.3 | 1.3 | — |
| Interest income | (3.4) | (4.4) | 1.0 | (7.1) | (7.7) | 0.6 |
| Interest expense and other financing costs | 23.8 | 22.9 | 0.9 | 89.9 | 78.7 | 11.2 |
| Foreign exchange losses, net | 13.9 | 0.3 | 13.6 | 14.4 | 1.0 | 13.4 |
| Fair value losses (gains) on investment properties, net | 1.5 | 33.0 | (31.5) | (53.0) | 172.7 | (225.7) |
| Fair value (gains) losses on financial instruments, net | (12.6) | 15.4 | (28.0) | (5.2) | 17.3 | (22.5) |
| Loss on sale of investment properties | — | — | — | — | 1.5 | (1.5) |
| **Income before income taxes** | **89.4** | **33.0** | **56.4** | **392.8** | **129.0** | **263.8** |
| Income tax expense (recovery) | 4.6 | 1.0 | 3.6 | 30.9 | (9.5) | 40.4 |
| **Net income** | **$ 84.8** | **$ 32.0** | **52.8** | **$ 361.9** | **$ 138.5** | **223.4** |
| **Net income attributable to:** | | | | | | |
| Unitholders | 83.7 | 31.4 | 52.3 | 360.6 | 136.7 | 223.9 |
| Non-controlling interests | 1.1 | 0.6 | 0.5 | 1.3 | 1.8 | (0.5) |
| | **$ 84.8** | **$ 32.0** | **52.8** | **$ 361.9** | **$ 138.5** | **223.4** |

**Foreign Currency Translation**

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

| | Average Exchange Rates | | | | | | Period End Exchange Rates | | |
|---|---|---|---|---|---|---|---|---|---|
| | Three Months Ended December 31, | | | Years Ended December 31, | | | December 31, | December 31, | |
| | 2024 | 2023 | Change | 2024 | 2023 | Change | 2024 | 2023 | Change |
| $ per €1.00 | **1.492** | 1.465 | 2 % | **1.482** | 1.459 | 2 % | **1.491** | 1.460 | 2 % |
| $ per US$1.00 | **1.399** | 1.362 | 3 % | **1.370** | 1.350 | 1 % | **1.440** | 1.320 | 9 % |

For the three months and year ended December 31, 2024 compared to the prior year periods, the average exchange rates of the Euro and the US 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 rates of the Euro and the US dollar relative to the Canadian dollar on December 31, 2024 were higher when compared to the December 31, 2023 exchange rates. As a result, the Canadian dollar equivalent of assets and liabilities from Granite's European and U.S. operations were higher, when compared to December 31, 2023.

On a net basis, the effect of the changes in exchange rates on Granite's operating results for the three months and year ended December 31, 2024 was as follows:

**Effects of Changes in Exchange Rates on Operating Results**

| | Three Months Ended December 31, | Year Ended December 31, |
|---|---|---|
| *(in millions, except per unit information)* | **2024 vs 2023** | **2024 vs 2023** |
| Increase in revenue | $ 5.0 | $ 9.9 |
| Increase in NOI - cash basis[(1)] | 4.4 | 8.5 |
| Increase in net income | 1.8 | 4.4 |
| Increase in FFO[(1)] | 1.9 | 4.6 |
| Increase in AFFO[(1)] | 1.7 | 4.2 |
| Increase in FFO[(1)] per unit | $0.03 | $0.07 |
| Increase in AFFO[(1)] per unit | $0.03 | $0.07 |

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

## Operating Results

### *Revenue*

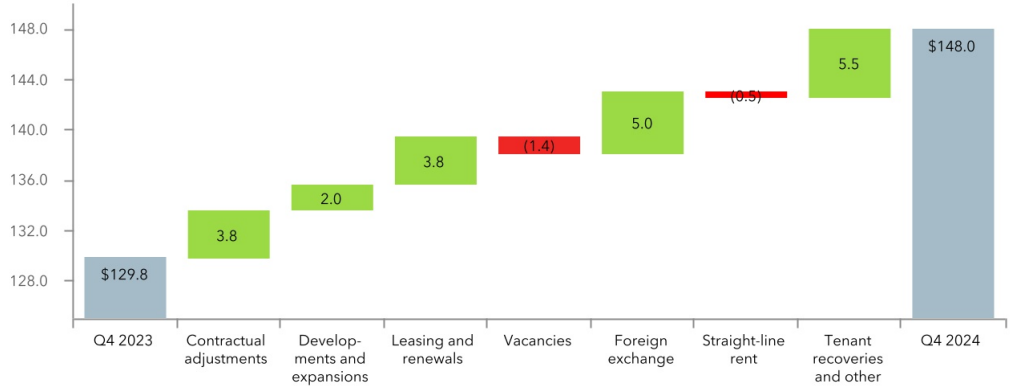
**Revenue**

| | Three Months Ended December 31, | | | Years Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **$ change** | **2024** | **2023** | **$ change** |
| Rental revenue and amortization[(1)] | **$ 122.9** | $ 111.8 | 11.1 | **$ 478.1** | $ 439.6 | 38.5 |
| Tenant recoveries | **25.1** | 18.0 | 7.1 | **90.5** | 81.6 | 8.9 |
| Lease termination and close-out fees | **—** | **—** | — | **0.5** | **—** | 0.5 |
| **Revenue** | **$ 148.0** | $ 129.8 | 18.2 | **$ 569.1** | $ 521.2 | 47.9 |

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

Revenue for the three month period ended December 31, 2024 increased by $18.2 million to $148.0 million from $129.8 million in the prior year period. The components contributing to the change in revenue are detailed below:

**Q4 2024 vs Q4 2023 Change in Revenue**

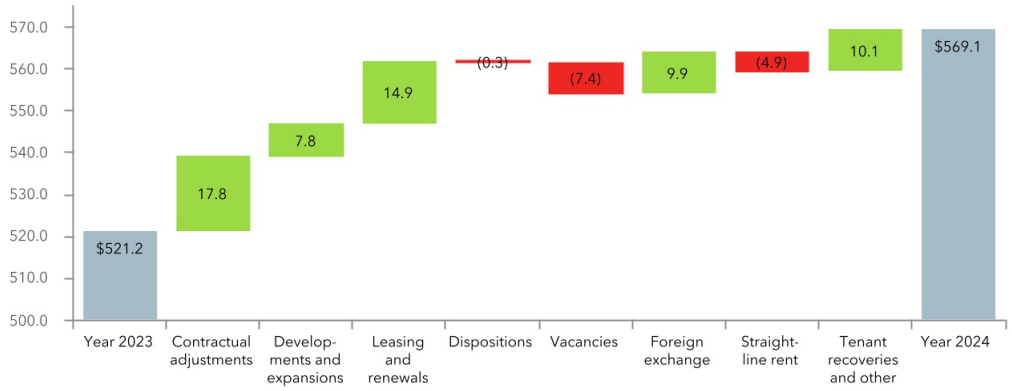



Additional details pertaining to the components of the change in revenue are as follows:

- contractual rent adjustments included $0.6 million from consumer price index based increases in Canada and Europe and $3.2 million from fixed contractual adjustments primarily in the United States related to rent escalations;
- the lease commencement of two expansion projects in Canada and Netherlands, and two development projects in Canada and the United States increased revenue by $2.0 million;
- revenue increased by $3.8 million due to renewal and re-leasing activities for properties primarily in Canada, the United States, and Austria;
- vacancies at five properties in the United States, Canada and Netherlands decreased revenue by $1.4 million;
- foreign exchange had a net $5.0 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 $1.1 million and $3.9 million, respectively; and
- straight-line rent, and tenant recoveries and other decreased revenue by $0.5 million and increased revenue by $5.5 million, respectively.

Revenue for the year ended December 31, 2024 increased by $47.9 million to $569.1 million from $521.2 million in the prior year period. The components contributing to the change in revenue are detailed below:

**Year 2024 vs Year 2023 Change in Revenue**




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

- contractual rent adjustments included $2.8 million from consumer price index based increases in Canada and Europe and $15.0 million from fixed contractual adjustments primarily in the United States and Canada related to rent escalations;
- the lease commencement of three expansion projects in Canada, the United States and Netherlands, and seven development projects in Canada and the United States increased revenue by $7.8 million;
- revenue increased by $14.9 million due to renewal and re-leasing activities for properties primarily in Canada, the United States and Austria;
- the sale of a property located in the United States in 2023 decreased revenue by $0.3 million;
- vacancies at eight properties in the United States, Canada and Netherlands decreased revenue by $7.4 million;
- foreign exchange had a net $9.9 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 $3.5 million and $6.4 million, respectively; and
- straight-line rent, and tenant recoveries and other decreased revenue by $4.9 million and increased revenue by $10.1 million, respectively.

### *Net Operating Income*

Net operating income (“NOI”) during the three months ended December 31, 2024 was $121.2 million compared to $110.0 million during the three months ended December 31, 2023. NOI for the year ended December 31, 2024 was $472.0 million compared to $435.2 million for the year ended December 31, 2023.

The changes in NOI, NOI - cash basis and same property NOI - cash basis are detailed below:

**Same Property NOI**

| | Sq ft[1] (in millions) | Three Months Ended December 31, 2024 | 2023 | $ change | % change | Sq ft[1] (in millions) | Years Ended December 31, 2024 | 2023 | $ change | % change |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | **$ 148.0** | $ 129.8 | 18.2 | | | **$ 569.1** | $ 521.2 | 47.9 | |
| Less: Property operating costs | | **26.8** | 19.8 | 7.0 | | | **97.1** | 86.0 | 11.1 | |
| **NOI** | | **$ 121.2** | $ 110.0 | 11.2 | 10.2 % | | **$ 472.0** | $ 435.2 | 36.8 | 8.5 % |
| Add (deduct): | | | | | | | | | | |
| Lease termination and close-out fees | | **—** | — | — | | | **(0.5)** | — | (0.5) | |
| Straight-line rent amortization | | **(2.6)** | (3.1) | 0.5 | | | **(11.8)** | (16.7) | 4.9 | |
| Tenant incentive amortization | | **—** | 1.1 | (1.1) | | | **0.1** | 4.4 | (4.3) | |
| **NOI - cash basis** | 63.3 | **$ 118.6** | $ 108.0 | 10.6 | 9.8 % | 63.3 | **$ 459.8** | $ 422.9 | 36.9 | 8.7 % |
| Less NOI - cash basis for: | | | | | | | | | | |
| Acquisitions | — | **—** | — | — | | 1.0 | **1.1** | 0.5 | 0.6 | |
| Developments | 0.5 | **(1.5)** | — | (1.5) | | 2.8 | **(16.3)** | (2.0) | (14.3) | |
| Dispositions and assets held for sale | — | **—** | — | — | | — | **—** | (0.2) | 0.2 | |
| **Same property NOI - cash basis** | 62.9 | **$ 117.1** | $ 108.0 | 9.1 | **8.4 %** | 59.8 | **$ 444.6** | $ 421.2 | 23.4 | **5.6 %** |
| **Constant currency same property NOI - cash basis[2]** | 62.9 | **$ 117.1** | $ 110.2 | 6.9 | **6.3 %** | 59.8 | **$ 444.6** | $ 426.8 | 17.8 | **4.2 %** |

(1) The square footage relating to the NOI — cash basis represents GLA of 63.3 million square feet as at December 31, 2024. 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.

NOI - cash basis excludes the impact of lease termination and close-out fees, straight-line rent and tenant incentive amortization and reflects the cash generated by the income-producing properties on a period-over-period basis.

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 allowances provided to tenants that are recognized in revenue evenly on a straight-line basis over the term of the lease and primarily comprises the amortization associated with the cash allowance incentives paid to Magna in respect of the 10-year lease extensions exercised during the 2014 year, which expired on January 31, 2024, at the Thondorf and Eurostar properties in Graz, Austria.

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 of and classified as held for sale, or development properties during the periods under comparison.
NOI - cash basis for the three months ended December 31, 2024 increased by $10.6 million to $118.6 million from $108.0 million in the prior year period, representing an increase of 9.8%. 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 without a corresponding increase in recoverable rent primarily relating to vacancies at properties in the United States, Canada and Netherlands.

NOI - cash basis for the year ended December 31, 2024 increased by $36.9 million to $459.8 million from $422.9 million in the prior year period, representing an increase of 8.7%. The increase in NOI - cash basis was largely a result of the increase in rental revenue as noted previously, partially offset by an increase in property operating costs without a corresponding increase in recoverable rent primarily relating to vacancies at properties in the United States, Canada and Netherlands, and the properties acquired in 2023.

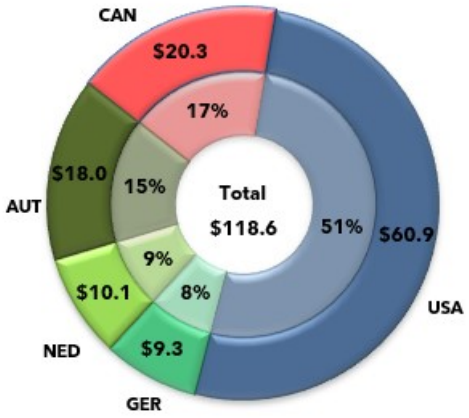
Same property NOI - cash basis for the three months ended December 31, 2024 increased by $9.1 million (8.4%) to $117.1 million from $108.0 million primarily due to the increase in contractual rents arising from both consumer price index and fixed rent increases, re-leasing and renewals of leases for properties primarily located in Canada, the United States and Austria, the expiration of a rent-free period associated with a completed development 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, Canada and Netherlands. Excluding the impact of foreign exchange, same property NOI - cash basis for the three month period ended December 31, 2024 increased by $6.9 million (6.3%) from the prior year period.

Same property NOI - cash basis for the year ended December 31, 2024 increased by $23.4 million (5.6%) to $444.6 million from $421.2 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 expiration of a rent-free period associated with a completed development 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, Canada and Netherlands. Excluding the impact of foreign exchange, same property NOI - cash basis for the year ended December 31, 2024 increased by $17.8 million (4.2%) from the prior year period.

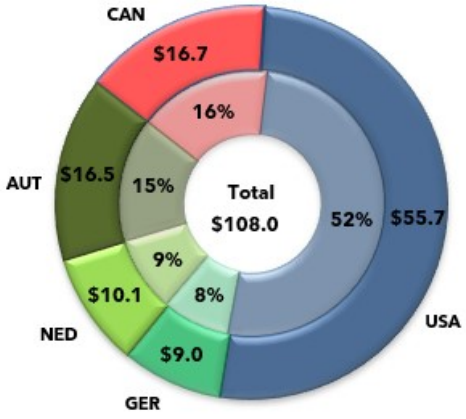
NOI - cash basis for the three month periods and years ended December 31, 2024 and 2023 by geography was as follows:

**NOI - Cash Basis by Geography**

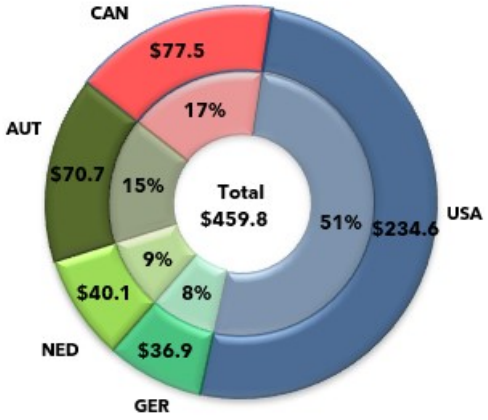
**Fourth Quarter 2024**



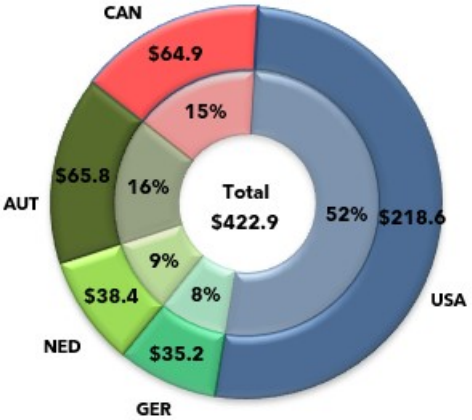

**Fourth Quarter 2023**




**Year 2024**




**Year 2023**




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

Same property NOI - cash basis for the three month periods and years ended December 31, 2024 and 2023 by geography was as follows:

**Same Property NOI - Cash Basis by Geography**

| | Three Months Ended December 31, | | | Years Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **% change** | **2024** | **2023** | **% change** |
| Canada | **$18.8** | $16.7 | 12.6 % | **$73.2** | $65.1 | 12.4 % |
| United States | **60.9** | 55.7 | 9.3 % | **223.7** | 216.8 | 3.2 % |
| Austria | **18.0** | 16.5 | 9.1 % | **70.7** | 65.7 | 7.6 % |
| Germany | **9.3** | 9.0 | 3.3 % | **36.9** | 35.2 | 4.8 % |
| Netherlands | **10.1** | 10.1 | — % | **40.1** | 38.4 | 4.4 % |
| **Same Property NOI - cash basis** | **$117.1** | $108.0 | 8.4 % | **$444.6** | $421.2 | 5.6 % |

Constant currency same property NOI - cash basis for the three month periods and years ended December 31, 2024 and 2023 by geography was as follows, which is calculated by converting the comparative same property NOI - cash basis at current foreign exchange rates:

**Constant Currency Same Property NOI - Cash Basis by Geography**

| | Three Months Ended December 31, | | | Years Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **% change** | **2024** | **2023** | **% change** |
| Canada | **$18.8** | $16.7 | 12.6 % | **$73.2** | $65.1 | 12.4 % |
| United States | **60.9** | 57.2 | 6.5 % | **223.7** | 220.1 | 1.6 % |
| Austria | **18.0** | 16.8 | 7.1 % | **70.7** | 66.8 | 5.8 % |
| Germany | **9.3** | 9.2 | 1.1 % | **36.9** | 35.8 | 3.1 % |
| Netherlands | **10.1** | 10.3 | (1.9) % | **40.1** | 39.0 | 2.8 % |
| **Constant Currency Same Property NOI - cash basis** [(1)] | **$117.1** | $110.2 | 6.3 % | **$444.6** | $426.8 | 4.2 % |

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

### *General and Administrative Expenses*

General and administrative expenses consisted of the following:

**General and Administrative Expenses**

| | Three Months Ended December 31, | | | Years Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **$ change** | **2024** | **2023** | **$ change** |
| Salaries, incentives and benefits | **$ 4.7** | $ 4.4 | 0.3 | **$ 18.7** | $ 17.9 | 0.8 |
| Audit, legal and consulting | **1.0** | 0.9 | 0.1 | **4.2** | 4.3 | (0.1) |
| Trustee/director fees and related expenses including distributions | **0.5** | 0.5 | — | **2.1** | 2.0 | 0.1 |
| Executive unit-based compensation expense including distributions | **1.2** | 1.2 | — | **4.7** | 4.7 | — |
| Fair value remeasurement of trustee/director and executive unit-based compensation plans | **(2.3)** | 0.2 | (2.5) | **(1.1)** | 4.0 | (5.1) |
| Other public entity costs | **0.6** | 0.7 | (0.1) | **2.6** | 2.6 | — |
| Office rents including property taxes and common area maintenance costs | **0.2** | 0.2 | — | **0.7** | 0.6 | 0.1 |
| Capital tax | **(0.6)** | 0.2 | (0.8) | **(1.0)** | 1.0 | (2.0) |
| Information technology | **0.6** | 0.6 | — | **2.6** | 2.5 | 0.1 |
| Corporate restructuring costs | **1.7** | — | 1.7 | **3.5** | — | 3.5 |
| Other | **0.8** | 0.6 | 0.2 | **2.4** | 2.3 | 0.1 |
| | **$ 8.4** | $ 9.5 | (1.1) | **$ 39.4** | $ 41.9 | (2.5) |
| Less: capitalized general and administrative expenses | **(0.1)** | (0.1) | — | **(0.5)** | (0.5) | — |
| **General and administrative expenses** | **$ 8.3** | $ 9.4 | (1.1) | **$ 38.9** | $ 41.4 | (2.5) |

General and administrative expenses were $8.3 million for the three month period ended December 31, 2024 and decreased $1.1 million in comparison to the prior year period primarily as a result of the following:

- an increase in the fair value remeasurement recovery associated with the trustee/director and executive unit-based compensation plans resulting from a decrease in the market price of the Trust's units in the current year period compared to an increase in the market price of the Trust's units in the prior year period; and
- an increase in capital tax recovery associated with a tax reduction resulting from recent changes in tax regulations in the State of Tennessee, USA, partially offset by;
- an increase in corporate restructuring costs primarily due to the corporate restructuring initiative in the current year period (see *"SIGNIFICANT MATTERS - STAPLED UNIT STRUCTURE"*); and
- an increase in salaries and benefits expense primarily due to salary increases effective at the beginning of 2024.

General and administrative expenses were $38.9 million for the year ended December 31, 2024 and decreased $2.5 million in comparison to the prior year period primarily as a result of the following:

- an increase in the fair value remeasurement recovery associated with the trustee/director and executive unit-based compensation plans resulting from a decrease in the market price of the Trust's units in the current year period compared to an increase in the market price of the Trust's units in the prior year period; and
- an increase in capital tax recovery associated with a tax refund resulting from recent changes in tax regulations in the State of Tennessee, USA, partially offset by;
- an increase in corporate restructuring costs primarily due to the corporate restructuring initiative in the current year period (see *"SIGNIFICANT MATTERS - STAPLED UNIT STRUCTURE"*); and
- an increase in salaries and benefits expense primarily due to salary increases effective at the beginning of 2024 and an increase in headcount in North America and Europe.

### *Interest Income*

Interest income for the three month period ended December 31, 2024 decreased $1.0 million to $3.4 million from $4.4 million in the prior year period. The $1.0 million decrease is generally due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period, primarily due to less interest income earned from the investment of net proceeds received from the issuance of the October 2029 Debentures on October 4, 2024 that were held in interest bearing investment accounts until the repayment of the 2024 Term Loan upon maturity on December 19, 2024 when compared to the interest income in the prior year period from the investment of net proceeds received from the issuance of the April 2029 Debentures on October 12, 2023 that were held in interest bearing investment accounts until the repayment of the Series 3 senior unsecured debentures that matured on November 30, 2023 (the "2023 Debentures") upon maturity.

Interest income for the year ended December 31, 2024 decreased $0.6 million to $7.1 million from $7.7 million in the prior year period. The $0.6 million decrease is generally due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period, primarily due to less interest income earned from the investment of net proceeds received from the issuance of the October 2029 Debentures on October 4, 2024 that were held in interest bearing investment accounts until the repayment of the 2024 Term Loan upon maturity on December 19, 2024 when compared to the interest income in the prior year period from the investment of net proceeds received from the issuance of the April 2029 Debentures on October 12, 2023 that were held in interest bearing investment accounts until the repayment of the 2023 Debentures upon maturity, as noted previously.

### *Interest Expense and Other Financing Costs*

Interest expense and other financing costs for the three month period ended December 31, 2024 increased $0.9 million to $23.8 million from $22.9 million in the prior year period. The increase was primarily due to the increase in interest expense as a result of the issuance of the October 2029 Debentures and the 2031 Debentures in October 2024, the issuance of the April 2029 Debentures in October 2023, and the decrease in capitalized interest resulting from the completion of development projects, partially offset by the decrease in interest expense resulting from the repayment of the 2023 Debentures in November 2023, the early repayment of the 2025 Term Loan in October 2024, the repayment of the 2024 Term Loan in December 2024, and the partial prepayment of the September 2026 Term Loan in December 2024.

Interest expense and other financing costs for the year ended December 31, 2024 increased $11.2 million to $89.9 million from $78.7 million in the prior year period. The increase was primarily due to the increase in interest expense as a result of the issuance of the October 2029 Debentures and the 2031 Debentures in October 2024, the issuance of the April 2029 Debentures in October 2023, the drawdown of the September 2026 Term Loan in September 2023, and the decrease in capitalized interest resulting from the completion of development projects, partially offset by the decrease in interest expense resulting from the repayment of the 2023 Debentures in November 2023, the full repayment of the Granite's unsecured revolving credit facility (the "Credit Facility") in September 2023, the repayment of the secured construction loan relating to the Houston, Texas development property in June 2023, the early repayment of the 2025 Term Loan in October 2024, the repayment of the 2024 Term Loan in December 2024, and the partial prepayment of the September 2026 Term Loan in December 2024.

As at December 31, 2024, Granite's weighted average cost of interest-bearing debt was 2.74% (December 31, 2023 - 2.59%) and its weighted average debt term-to-maturity was 4.3 years (December 31, 2023 - 3.9 years).

### *Foreign Exchange Gains and Losses, Net*

Granite recognized net foreign exchange losses of $13.9 million and $0.3 million in the three months ended December 31, 2024 and 2023, respectively. The $13.6 million increase in net foreign exchange losses is primarily due to the increase in the foreign exchange losses from the remeasurement of certain monetary assets and liabilities of the Trust that are denominated in US dollars and Euros not forming part of a net investment in a foreign operation that represent capital transactions impacting profit and loss, partially offset by the decrease in foreign exchange losses realized from the settlement of foreign exchange collar contracts in the prior year period.

Granite recognized net foreign exchange losses of $14.4 million and $1.0 million in the years ended December 31, 2024 and 2023, respectively. The $13.4 million increase in net foreign exchange losses is primarily due to the increase in the foreign exchange losses from the remeasurement of certain monetary assets and liabilities of the Trust that are denominated in US dollars and Euros not forming part of a net investment in a foreign operation that represent capital transactions impacting profit and loss, partially offset by the decrease in foreign exchange losses realized from the settlement of foreign exchange collar contracts in the prior year period.

### *Fair Value Gains and Losses on Investment Properties, Net*

Net fair value losses on investment properties were $1.5 million and $33.0 million in the three months ended December 31, 2024 and 2023, respectively. In the three months ended December 31, 2024, net fair value losses of $1.5 million were primarily attributable to the expansion in the discount and terminal capitalization rates at select properties in Granite's Canadian and U.S. markets, partially offset by fair market rent increases at select U.S. properties.

Net fair value losses on investment properties in the three months ended December 31, 2023 of $33.0 million were primarily attributable to the expansion in discount and terminal capitalization rates across select Granite markets largely due to market conditions, partially offset by fair market rent increases in select U.S. and European markets.

Net fair value gains on investment properties were $53.0 million and net fair value losses on investment properties were $172.7 million in the years ended December 31, 2024 and 2023, respectively. In the year ended December 31, 2024, net fair value gains of $53.0 million were primarily attributable to the stabilization of a development property in Brantford, Canada, which was completed and transferred to income-producing properties during the first quarter of 2024, the lease renewals of two properties in the GTA, and fair market rent increases in select markets, partially offset by the expansion in discount and terminal capitalization rates across select Granite markets largely due to market conditions.

Net fair value losses on investment properties in the year ended December 31, 2023 of $172.7 million were primarily attributable to the expansion in discount and terminal capitalization rates across all of Granite's markets in response to rising interest rates and market conditions, partially offset by fair market rent increases across the GTA and select U.S. and European markets, the renewals of three special purpose properties in Austria and Germany, the lease renewal of one industrial property in Germany, and the appreciation of land values at Granite's development properties and land held for development in Brantford, Ontario and the stabilization of seven development properties in the U.S., which were completed and transferred to income-producing properties during the year ended December 31, 2023.

### *Fair Value Gains and Losses on Financial Instruments, Net*

The net fair value gains on financial instruments for the three month period ended December 31, 2024 were $12.6 million while the net fair value losses on financial instruments for the three month period ended December 31, 2023 were $15.4 million. The net fair value gains on financial instruments for the year ended December 31, 2024 were $5.2 million and the net fair value losses for the year ended December 31, 2023 were $17.3 million.

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

The net fair value losses on financial instruments for the three months ended December 31, 2023 are primarily related to the fair value losses incurred as a result of the de-designation of the cross currency interest rate swap related to the 2023 Debentures (the "2023 Cross Currency Interest Rate Swap") (for the period October 12, 2023 to November 30, 2023), the fair value losses from the ineffective hedge portion of the 2024 Cross Currency Interest Rate Swap, the ineffective hedge portion of the combination of the 2025 Term Loan and the 2025 Interest Rate Swap and the ineffective hedge portion of the combination of the September 2026 Term Loan and the September 2026 Interest Rate Swap, partially offset by the fair value gains on the foreign exchange collar contracts. The net fair value losses on financial instruments for the year ended December 31, 2023 are primarily related to the fair value losses incurred as a result of the de-designation of the 2023 Cross Currency Interest Rate Swap (for the period October 12, 2023 to November 30, 2023), the fair value losses from the ineffective hedge portion of the

2024 Cross Currency Interest Rate Swap and the ineffective hedge portion of the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap, partially offset by the net fair value gains on the foreign exchange collar contracts and the fair value gains from the ineffective hedge portion of the combination of the 2025 Term Loan and the 2025 Interest Rate Swap. The Trust partially employed or did not employ hedge accounting for certain derivatives and foreign exchange collars, therefore the change in fair value thereon is recognized in fair value (gains) losses on financial instruments, net, in the consolidated combined statements of net income.

The Trust periodically purchases foreign exchange collars to hedge specific anticipated foreign currency transactions and to mitigate its foreign exchange exposure on its net cash flows. As at December 31, 2024, the Trust held twelve outstanding foreign exchange collar contracts (December 31, 2023 — six) with a notional value of US$84.0 million (December 31, 2023 — US$36.0 million) and contracts the Trust to sell US dollars and receive Canadian dollars if specific US dollar exchange rates relative to the Canadian dollar are met. As at December 31, 2024, the Trust also held twelve outstanding foreign exchange collar contracts (December 31, 2023 — twelve) with a notional value of €24.0 million (December 31, 2023 — €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.

### *Loss on Sale of Investment Properties*

There were no property dispositions during the three month periods ended December 31, 2024 and 2023, respectively.

No properties were disposed of during the year ended December 31, 2024. The loss on sale of investment properties for the year ended December 31, 2023 was $1.5 million and was primarily related to broker commissions and legal and advisory costs associated with the disposition of the property in Muncie, United States on March 15, 2023 and the property in Concord, Canada on August 15, 2023.

### *Income Tax Expense (Recovery)*

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

**Income Tax Expense (Recovery)**

| | Three Months Ended December 31, | | | Years Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **$ change** | **2024** | **2023** | **$ change** |
| Foreign operations | **$ 2.3** | $ 1.8 | 0.5 | **$ 9.9** | $ 7.5 | 2.4 |
| Withholding taxes | **0.2** | — | 0.2 | **0.2** | — | 0.2 |
| Other | **(1.6)** | (1.7) | 0.1 | **(1.4)** | (0.8) | (0.6) |
| Current tax expense | **0.9** | 0.1 | 0.8 | **8.7** | 6.7 | 2.0 |
| Deferred tax expense (recovery) | **3.7** | 0.9 | 2.8 | **22.2** | (16.2) | 38.4 |
| **Income tax expense (recovery)** | **$ 4.6** | $ 1.0 | 3.6 | **$ 30.9** | $ (9.5) | 40.4 |

For the three months ended December 31, 2024, current tax expense increased compared to the prior year period primarily due to higher tax expenses in Austria, withholding taxes paid on the distribution of a dividend from Germany, and the impact of the weakening of the Canadian dollar on Euro denominated tax expenses as compared to the prior year period. In the three months ended December 31, 2024, the Trust recognized a tax recovery of $1.6 million

representing the reversal of a tax provision relating to a taxation year that has gone statute barred (three months ending December 31, 2023 - $1.8 million).

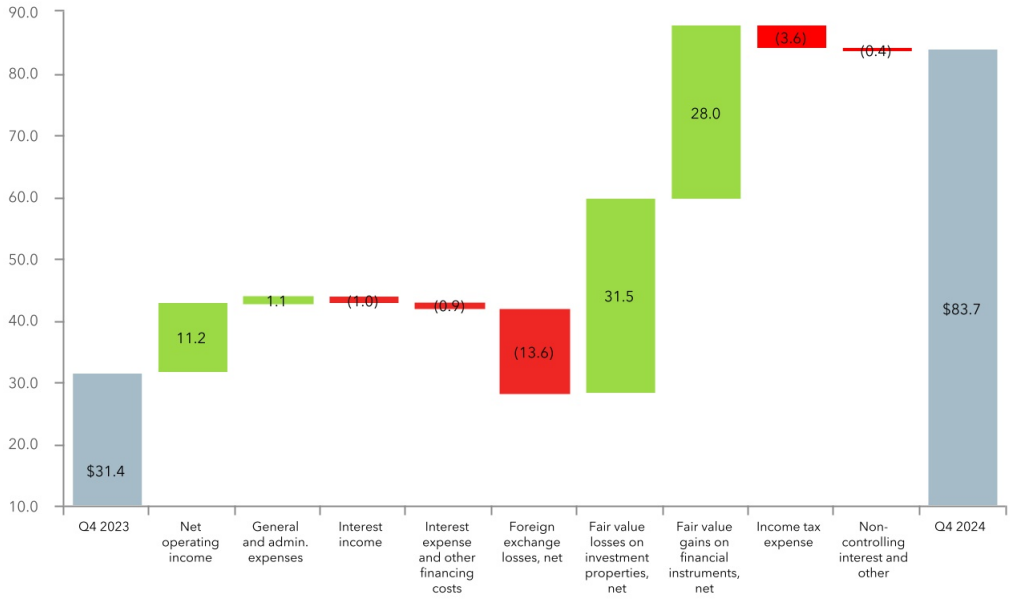
For the year ended December 31, 2024, current tax expense increased compared to the prior year period primarily due to higher tax expenses in Austria and Netherlands, withholding taxes paid on the distribution of a dividend from Germany, and the impact of the weakening of the Canadian dollar on Euro denominated tax expenses, partially offset by a reduction of Austrian tax reserves as compared to the prior year period. For the year ended December 31, 2024, the Trust recognized a tax recovery of $1.6 million representing the reversal of a tax provision relating to a taxation year that has gone statute barred (year ended December 31, 2023 - $1.8 million).

The increase in deferred tax expense for the three months and year ended December 31, 2024 compared to the prior year periods was primarily due to the change in fair value on investment properties recognized in jurisdictions in which deferred taxes are recorded as compared to the prior year period.

### *Net Income Attributable to Unitholders*

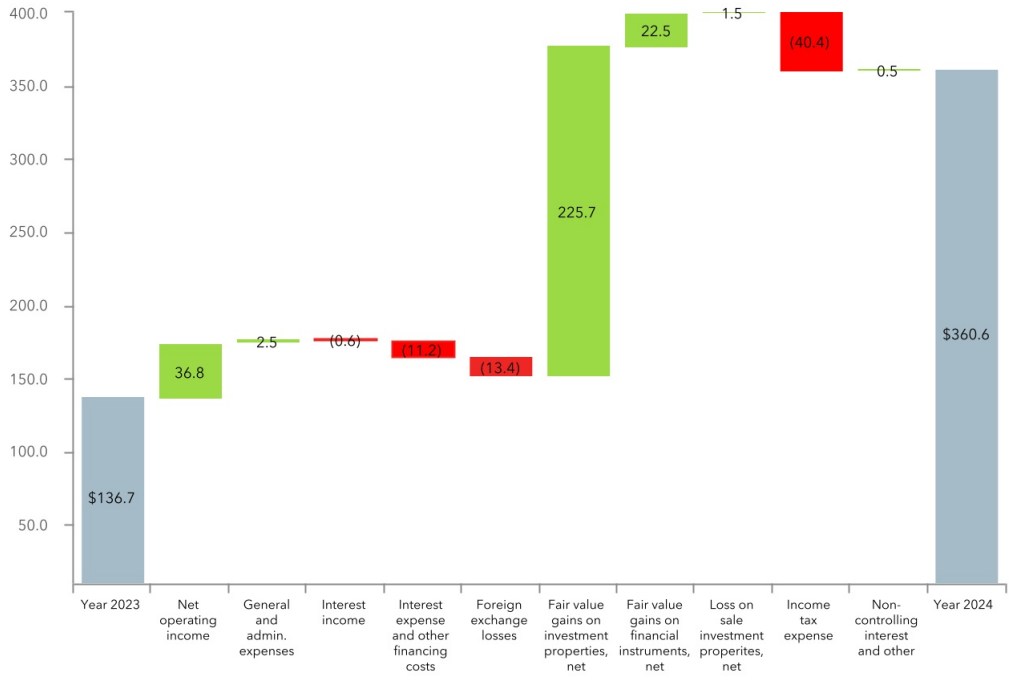
For the three month period ended December 31, 2024, net income attributable to unitholders was $83.7 million compared to $31.4 million in the prior year period. The increase in net income attributable to unitholders was primarily due to a $31.5 million decrease in fair value losses on investment properties, net, a $28.0 increase in fair value gains on financial instruments, net, and a $11.2 million increase in net operating income, partially offset by a $13.6 increase in foreign exchange losses, and a $3.6 million increase in income tax expense. The period-over-period variance is further summarized below:

**Q4 2024 vs Q4 2023 Change in Net Income Attributable to Unitholders**



For the year ended December 31, 2024, net income attributable to unitholders was $360.6 million compared to $136.7 million in the prior year period. The increase in net income attributable to unitholders was primarily due to a $225.7 million increase in fair value gains on investment properties, a $36.8 million increase in net operating income, and a $22.5 million increase in fair value gains on financial instruments, partially offset by a $40.4 million increase in income tax expense, a $13.4 million increase in foreign exchange losses, and a $11.2 million increase in interest expense and other financing costs. The period-over-period variance is further summarized below:

**Year 2024 vs Year 2023 Change in Net Income Attributable to Unitholders**



### *Funds From Operations and Adjusted Funds From Operations*

The reconciliation of net income attributable to unitholders to FFO and AFFO for the three months and years ended December 31, 2024 and 2023, respectively, is presented below:

**FFO and AFFO Reconciliation**

| | | Three Months Ended December 31, | | Years Ended December 31, | |
|---|---|---|---|---|---|
| | | **2024** | **2023** | **2024** | **2023** |
| *(in millions, except per unit information)* | | | | | |
| **Net income attributable to unitholders** | | **$ 83.7** | $ 31.4 | **$ 360.6** | $ 136.7 |
| Add (deduct): | | | | | |
| Fair value losses (gains) on investment properties, net | | **1.5** | 33.0 | **(53.0)** | 172.7 |
| Fair value (gains) losses on financial instruments, net | | **(12.6)** | 15.4 | **(5.2)** | 17.3 |
| Foreign exchange losses on certain monetary items [(1)] | | **16.7** | — | **16.7** | — |
| Loss on sale of investment properties | | **—** | — | **—** | 1.5 |
| Deferred tax expense (recovery) | | **3.7** | 0.9 | **22.2** | (16.2) |
| Fair value remeasurement of the Executive Deferred Unit Plan | | **(0.7)** | (0.4) | **(0.2)** | 3.1 |
| Fair value remeasurement of the Directors Deferred Unit Plan | | **(1.5)** | 0.4 | **(0.9)** | 0.8 |
| Corporate restructuring costs [(2)] | | **1.7** | — | **3.5** | — |
| Non-controlling interests relating to the above | | **0.2** | 0.5 | **0.2** | 1.7 |
| **FFO** | **[A]** | **$ 92.7** | $ 81.2 | **$ 343.9** | $ 317.6 |
| Add (deduct): | | | | | |
| Maintenance or improvement capital expenditures incurred | | **(4.3)** | (0.9) | **(14.4)** | (7.7) |
| Leasing costs | | **(5.4)** | (1.0) | **(7.5)** | (4.1) |
| Tenant allowances | | **(1.6)** | (4.1) | **(3.2)** | (6.5) |
| Tenant incentive amortization | | **—** | 1.1 | **0.1** | 4.4 |
| Straight-line rent amortization | | **(2.6)** | (3.1) | **(11.8)** | (16.7) |
| Non-controlling interests relating to the above | | **—** | — | **—** | 0.4 |
| **AFFO** | **[B]** | **$ 78.8** | $ 73.2 | **$ 307.1** | $ 287.4 |
| | | | | | |
| **Per unit amounts:** | | | | | |
| Basic FFO per unit | **[A]/[C]** | **$ 1.48** | $ 1.28 | **$ 5.46** | $ 4.99 |
| Diluted FFO per unit | **[A]/[D]** | **$ 1.47** | $ 1.27 | **$ 5.44** | $ 4.97 |
| Basic AFFO per unit | **[B]/[C]** | **$ 1.26** | $ 1.15 | **$ 4.87** | $ 4.51 |
| Diluted AFFO per unit | **[B]/[D]** | **$ 1.25** | $ 1.15 | **$ 4.86** | $ 4.50 |
| **Basic weighted average number of units** | **[C]** | **62.7** | 63.6 | **63.0** | 63.7 |
| **Diluted weighted average number of units** | **[D]** | **63.0** | 63.8 | **63.2** | 63.9 |

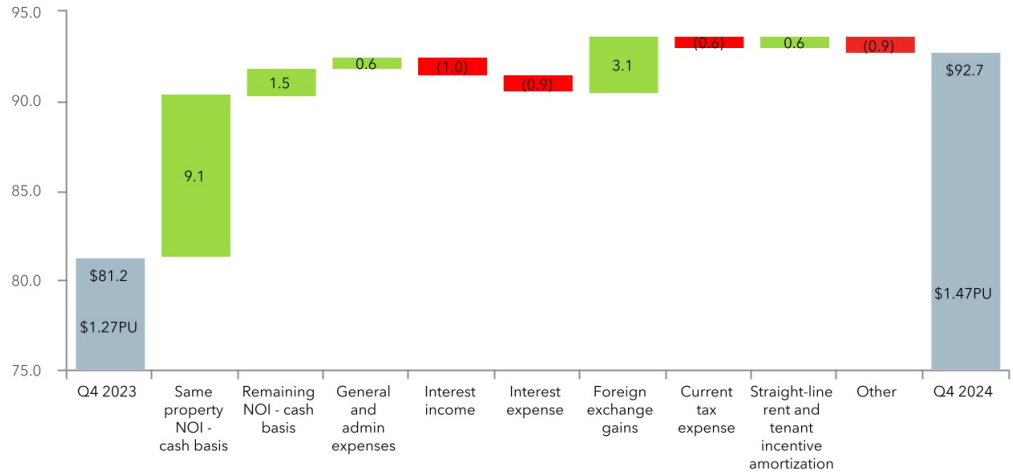
(1) Effective October 1, 2024, and in accordance with the REALPAC Guidelines (defined herein), Granite amended its definition of Funds From Operations (FFO) to exclude foreign exchange (gains) losses on certain monetary items not forming part of a net investment in a foreign operation that represent 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*"). See also "*SIGNIFICANT MATTERS - STAPLED UNIT STRUCTURE*". Granite views these restructuring costs as non-recurring, as they are solely related to this specific transaction and do not reflect normal operating activities.

### *Funds From Operations*

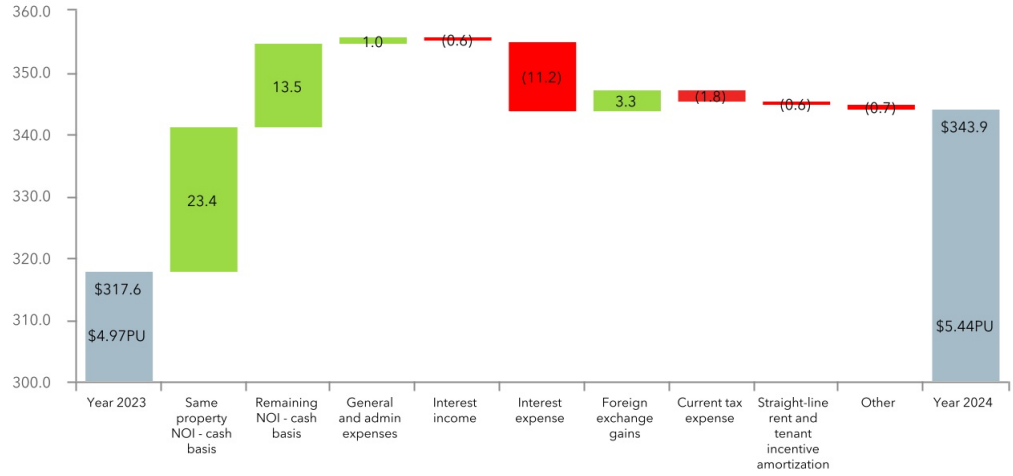
FFO for the three month period ended December 31, 2024 was $92.7 million ($1.47 per unit) compared to $81.2 million ($1.27 per unit) in the prior year period. The $11.5 million ($0.20 per unit) increase in the FFO components is summarized below:

**Q4 2024 vs Q4 2023 Change in FFO**



FFO for the year ended December 31, 2024 was $343.9 million ($5.44 per unit) compared to $317.6 million ($4.97 per unit) in the prior year period. The $26.3 million ($0.47 per unit) increase in the FFO components is summarized below:

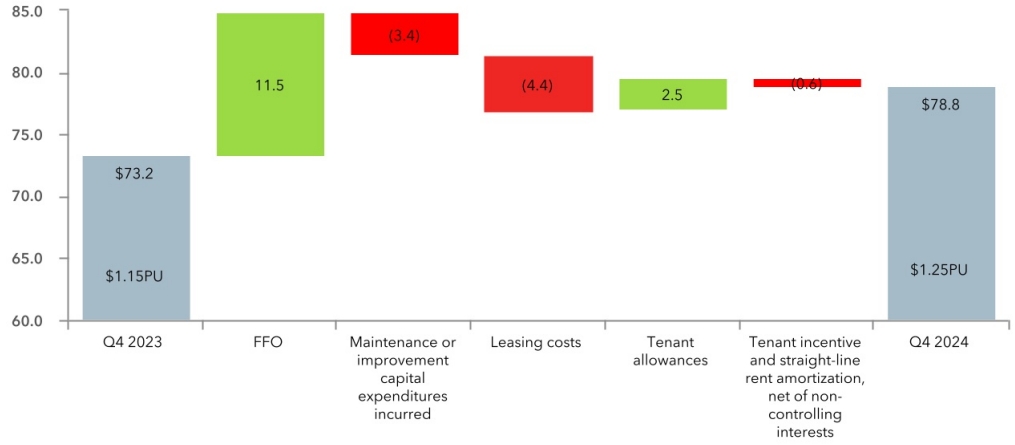
**Year 2024 vs Year 2023 Change in FFO**



### *Adjusted Funds From Operations*

AFFO for the three month period ended December 31, 2024 was $78.8 million ($1.25 per unit) compared to $73.2 million ($1.15 per unit) in the prior year period. The $5.6 million ($0.10 per unit) increase in AFFO components is summarized below:

**Q4 2024 vs Q4 2023 Change in AFFO**

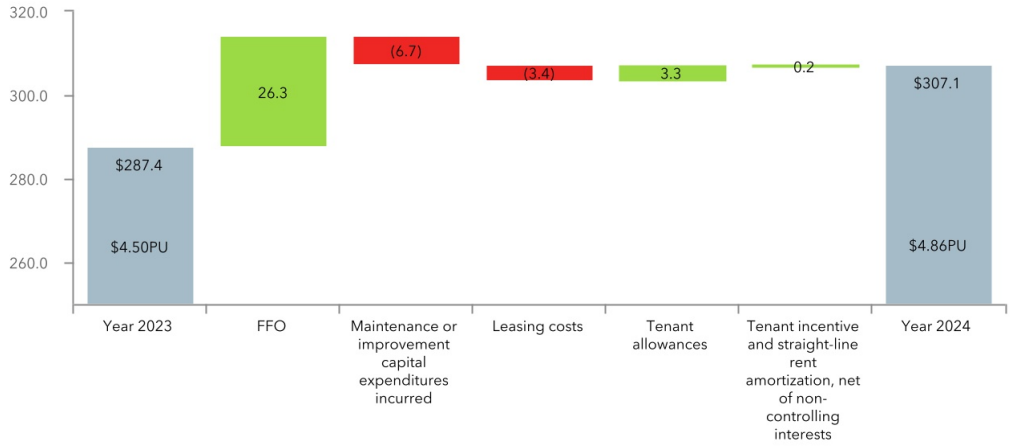



Additional details pertaining to the components of the change in AFFO are as follows:

- the $11.5 million increase in FFO, as noted previously; and
- a $2.5 million increase in AFFO from a decrease in tenant allowances paid in the current year period relative to the prior year period, partially offset by;
- a $3.4 million decrease in AFFO from higher maintenance or improvement capital expenditures incurred in the current year period relative to the prior year period;
- a $4.4 million decrease in AFFO primarily from higher leasing costs in the current year period primarily related to properties in the United States and Canada; and
- a $0.6 million decrease in AFFO primarily due to the expiration of tenant incentive amortization relating to Granite's properties in Graz, Austria, partially offset by 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 in the prior year period.

AFFO for the year ended December 31, 2024 was $307.1 million ($4.86 per unit) compared to $287.4 million ($4.50 per unit) in the prior year period. The $19.7 million ($0.36 per unit) increase in AFFO components is summarized below:

**Year 2024 vs Year 2023 Change in AFFO**




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

- the $26.3 million increase in FFO, as noted previously;
- a $3.3 million increase in AFFO from a decrease in tenant allowances paid in the current year period relative to the prior year period; and
- a $0.2 million increase in AFFO primarily due to 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 in the prior year period, partially offset by the expiration of tenant incentive amortization relating to Granite's properties in Graz, Austria, partially offset by;
- a $6.7 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 $3.4 million decrease in AFFO from an increase in leasing costs compared to the prior year period due to higher leasing activity 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 101.5 acre site in Houston, Texas where Granite is currently seeking site plan approval and continues its site infrastructure work for the third phase of development for up to 1.3 million square feet;
iii. 12.9 acres of development land in West Jefferson, Ohio;
iv. 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
v. 10.1 acres of land in Brant County, Ontario for the development of a 0.2 million square foot modern distribution facility.

Summary attributes of the investment properties as at December 31, 2024 and December 31, 2023 are as follows:

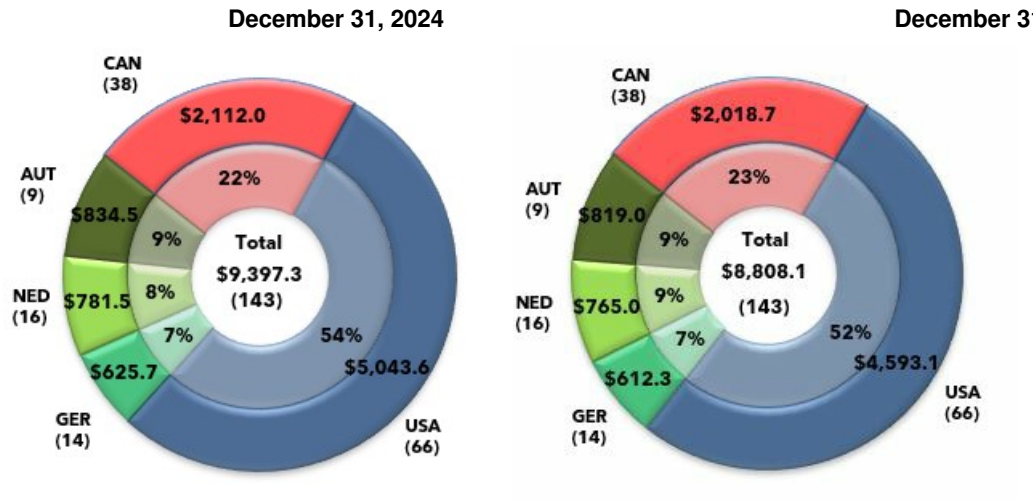
**Investment Properties Summary**

| **As at December 31,** | **2024** | **2023** |
|---|---|---|
| *(in millions, except as noted)* | | |
| **Investment properties - fair value** | **$9,397.3** | $8,808.1 |
| Income-producing properties | **9,297.1** | 8,641.4 |
| Development properties[4] | **100.2** | 166.7 |
| Overall capitalization rate[1] | **5.3 %** | 5.2 % |
| **Number of investment properties** | **143** | 143 |
| Income-producing properties | **138** | 137 |
| Development properties[4] | **5** | 6 |
| **Property metrics** | | |
| GLA, square feet | **63.3** | 62.9 |
| Occupancy, by GLA | **94.9 %** | 95.0 % |
| Committed occupancy, by GLA[3] | **95.0 %** | NA |
| Weighted average lease term in years, by square footage | **5.7** | 6.2 |
| Total number of tenants | **120** | 120 |
| Magna as a percentage of annualized revenue[2] | **26 %** | 26 % |
| Magna as a percentage of GLA | **19 %** | 19 % |

(1) Overall capitalization rate pertains only to income-producing properties.
(2) Annualized revenue presented is calculated as the contractual base rent for the month subsequent to the quarterly reporting period multiplied by 12 months. Annualized revenue excludes revenue from properties classified as assets held for sale.
(3) Committed occupancy as at February 26, 2025.
(4) Development properties include properties under development and land held for development.

Granite has a high-quality global portfolio of large-scale properties strategically located in Canada, the United States and Europe. The fair value of the investment properties by country as at December 31, 2024 and December 31, 2023 was as follows:

**Fair Value of Investment Properties by Geography[1]**




(1) Number of properties denoted in parentheses.

The change in the fair value of investment properties by geography during the year ended December 31, 2024 was as follows:

**Change in Fair Value of Investment Properties by Geography**

| | January 1, 2024 | Capital and leasing expenditures | Developments and expansion | Transfers [1] | Fair value gains Other | Fair value gains (losses) | Foreign exchange | December 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| **Income-Producing Properties** | | | | | | | | |
| Canada | **$ 1,870.0** | $ 6.5 | $ 15.1 | $ 72.7 | $ 3.6 | $ 64.3 | $ — | **$ 2,032.2** |
| USA | **4,575.1** | 23.9 | 2.2 | — | 8.1 | (3.4) | 417.3 | **5,023.2** |
| Austria | **819.0** | — | — | — | 0.1 | (1.6) | 17.0 | **834.5** |
| Germany | **612.3** | 0.7 | — | — | 0.1 | (0.1) | 12.7 | **625.7** |
| Netherlands | **765.0** | 1.2 | 5.7 | — | (0.1) | (6.2) | 15.9 | **781.5** |
| | **8,641.4** | **32.3** | **23.0** | **72.7** | **11.8** | **53.0** | **462.9** | **9,297.1** |
| **Development Properties** | | | | | | | | |
| USA | **18.0** | — | 0.7 | — | — | — | 1.7 | **20.4** |
| Canada | **148.7** | — | 3.8 | (72.7) | — | — | — | **79.8** |
| | **166.7** | **—** | **4.5** | **(72.7)** | **—** | **—** | **1.7** | **100.2** |
| **Total** | **$ 8,808.1** | **$ 32.3** | **$ 27.5** | **$ —** | **$ 11.8** | **$ 53.0** | **$ 464.6** | **$ 9,397.3** |

(1) The transfer is related to the reclassification of a completed development property to income-producing properties in Canada during the first quarter of 2024.

During the year ended December 31, 2024, the fair value of investment properties increased by $589.2 million primarily due to:

- foreign exchange gains of $464.6 million resulting from the relative weakening of the Canadian dollar against the US dollar and the Euro;
- net fair value gains of $53.0 million, which were primarily attributable to the stabilization of a development property in Brantford, Canada, which was completed and transferred to income-producing properties during the first quarter of 2024, the lease renewals of two properties in the GTA, and fair market rent increases in select markets, partially offset by the expansion in discount and terminal capitalization rates across select Granite markets largely due to market conditions;
- additions of $27.5 million primarily relating to a development property in Canada completed and reclassified to income-producing properties during the first quarter of 2024, two expansion projects in Canada and Netherlands completed during the third quarter of 2024, and two continuing development projects in Canada and the United States (see "*SIGNIFICANT MATTERS - Construction and Development Commitments*"); and
- additions of $32.3 million relating to capital projects and leasing activity at properties primarily in the United States and Canada.

Fair values were primarily determined by using a 10-year cash flow and subsequent reversionary value discounted back to present value. The valuation metrics utilized to derive Granite's investment property valuations are determined by management. Granite does not value its investment properties based on models prepared by external appraisers but uses such external appraisals as data points, alongside other external market information for management to arrive at its own conclusions on values. Granite receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of Granite's portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. There has been no change in the valuation methodology used during the year ended December 31, 2024. The key valuation metrics for Granite's investment properties including the discount and terminal capitalization rates by jurisdiction are summarized in note 4 to the audited consolidated combined financial statements for the year ended December 31, 2024. In addition, valuation metrics for Granite's income-producing properties by asset category and region as at December 31, 2024 and December 31, 2023 were as follows:

**Valuation Metrics by Asset Category**

| | Distribution/ E-Commerce | | Industrial/Warehouse | | Special purpose properties | | Flex/ Office | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **As at December 31,** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| Overall capitalization rate[1][2] | **5.06%** | 5.01% | **4.91%** | 4.56% | **7.09%** | 7.00% | **6.03%** | 5.92% | **5.32%** | 5.24% |
| Terminal capitalization rate[1] | **6.02%** | 5.97% | **5.93%** | 5.92% | **6.62%** | 6.62% | **7.24%** | 7.17% | **6.11%** | 6.07% |
| Discount rate[1] | **6.95%** | 6.86% | **7.10%** | 7.09% | **7.88%** | 7.88% | **8.36%** | 8.28% | **7.11%** | 7.05% |

**Valuation Metrics by Region**

| 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% |

| As at December 31, 2023 | Canada | USA | Austria | Germany | Nether-lands | Total |
|---|---|---|---|---|---|---|
| Income-producing property fair value | $ 1,870.0 | $ 4,575.1 | $ 819.0 | $ 612.3 | $ 765.0 | $ 8,641.4 |
| Overall capitalization rate [1][2] | 3.87% | 5.24% | 8.17% | 5.71% | 5.09% | 5.24% |

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

A sensitivity analysis of the fair value of income-producing properties to changes in the overall capitalization rate, terminal capitalization rate and discount rate at December 31, 2024 is presented below:

**Sensitivity Analysis of Fair Value of Income-Producing Properties**

| Rate sensitivity | Overall capitalization rate | Terminal capitalization rate | Discount rate |
|---|---|---|---|
| +50 bps | 8,401.6 | 8,867.1 | 8,955.4 |
| +25 bps | 8,820.0 | 9,073.3 | 9,124.3 |
| **Base rate** | **$9,297.1** | **$9,297.1** | **$9,297.1** |
| -25 bps | 9,859.9 | 9,541.0 | 9,474.2 |
| -50 bps | 10,581.3 | 9,807.6 | 9,655.5 |

### Capital Expenditures and Leasing Costs

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

Included in total capital expenditure and leasing cost additions to income-producing properties are items which relate to the completion or lease up of recently acquired or developed properties. Such items are excluded from Granite's calculation of AFFO. A reconciliation of total capital and leasing cost additions to income-producing properties to those included in AFFO for the three months and years ended December 31, 2024 and 2023 is below:

**Maintenance Capital Expenditures and Leasing Costs**

| | Three Months Ended December 31, | | Years Ended December 31, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Additions to income-producing properties:** | | | | |
| Leasing costs | **$ 5.4** | $ 1.2 | **$ 8.3** | $ 5.1 |
| Tenant improvements [(1)] | **3.2** | 4.1 | **8.7** | 6.9 |
| Maintenance capital expenditures | **4.3** | 1.6 | **15.4** | 8.4 |
| Other capital expenditures | **0.8** | (3.4) | **22.9** | 36.7 |
| | **$ 13.7** | $ 3.5 | **$ 55.3** | $ 57.1 |
| **Less:** | | | | |
| Leasing costs and tenant improvements related to acquisition activities | **—** | — | **—** | 0.1 |
| Leasing costs and tenant improvements related to completed development activities | **(1.6)** | (0.2) | **(6.3)** | (1.5) |
| Capital expenditures related to expansions and completed developments | **(0.8)** | 3.4 | **(22.9)** | (36.7) |
| Capital expenditures related to property acquisitions and other | **—** | (0.7) | **(1.0)** | (0.7) |
| **Capital expenditures and leasing costs included in AFFO** | **$ 11.3** | $ 6.0 | **$ 25.1** | $ 18.3 |

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

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

**Capital Expenditures and Leasing Costs - Trailing Eight Quarters**

| | | Q4 '24 | Q3 '24 | Q2 '24 | Q1 '24 | Q4 '23 | Q3 '23 | Q2 '23 | Q1 '23 |
|---|---|---|---|---|---|---|---|---|---|
| Total capital expenditures incurred | | $5.1 | $10.0 | $15.4 | $7.8 | $ (1.8) | $8.7 | $18.6 | $19.6 |
| Total leasing costs and tenant improvements incurred | | 8.6 | 1.6 | 5.6 | 1.1 | 5.3 | 2.7 | 3.0 | 1.0 |
| **Total additions to income-producing properties** | **[A]** | **$13.7** | **$11.6** | **$21.0** | **$8.9** | **$3.5** | **$11.4** | **$21.6** | **$20.6** |
| Less: Capital expenditures, leasing costs and tenant improvements related to acquisitions, expansions and completed developments and other | | (2.4) | (6.4) | (13.9) | (7.5) | 2.5 | (4.7) | (17.1) | (19.5) |
| **Capital expenditures and leasing costs included in AFFO** | **[B]** | **$11.3** | **$5.2** | **$7.1** | **$1.4** | **$6.0** | **$6.7** | **$4.5** | **$1.1** |
| GLA, square feet | **[C]** | 63.3 | 63.3 | 63.3 | 63.3 | 62.9 | 62.9 | 62.9 | 62.1 |
| **$ total incurred per square foot** | **[A]/[C]** | **$0.22** | **$0.18** | **$0.33** | **$0.14** | **$0.06** | **$0.18** | **$0.34** | **$0.33** |
| **$ capital expenditures and leasing costs included in AFFO per square foot** | **[B]/[C]** | **$0.18** | **$0.08** | **$0.11** | **$0.02** | **$0.10** | **$0.11** | **$0.07** | **$0.02** |

## Development and Expansion Projects

The attributes of Granite's development properties as at December 31, 2024 were as follows:

**Development and Expansion Projects**

| | Land acreage (in acres) | Expected sq ft of construction (in millions) | Start date of construction | Target completion date | Actual construction costs as at December 31, 2024 | Expected total construction cost[1] | Cost of Land | Total Expected Cost | Year-One Stabilized Yield[2] |
|---|---|---|---|---|---|---|---|---|---|
| **As at December 31, 2024** | | | | | | | | | |
| ***Development Properties*** | | | | | | | | | |
| 12 Wright St., Brantford, ON | 33.9 | 0.7 | Q2 2023 | TBD | 4.6 | 5.9 | 26.1 | 32.0 | N/A |
| Houston, TX (Phase III) | 101.5 | 1.3 | Q3 2023 | TBD | 1.1 | 6.6 | 17.7 | 24.3 | N/A |
| | **135.4** | **2.0** | | | **$5.7** | **$12.5** | **$43.8** | **$56.3** | **N/A** |

(1) Construction cost excludes cost of land.
(2) Yield based on total cost including land.

During the fourth quarter of 2024:

- 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; and
- Granite continued the site plan approval process and site infrastructure work for the third phase of its site in Houston, Texas for up to 1.3 million square feet.

## Leasing Profile

### *Magna, Granite's Largest Tenant*

As at December 31, 2024, Magna International Inc. or one of its operating subsidiaries was the tenant at 27 (December 31, 2023 - 27) of Granite's income-producing properties and comprised 26% (December 31, 2023 - 26%) of Granite's annualized revenue and 19% (December 31, 2023 - 19%) of Granite's GLA.

On February 1, 2024, the annual rent for the leases at Granite's properties in Graz, Austria comprising approximately 5.0 million square feet (the "Graz Facilities"), for the initial five years of the ten year extension escalated by the increase in the consumer price index ("CPI") for the period from the last CPI update, to a maximum of ten percent. Upon the release of CPI data for January 2024, it was confirmed that the annual rent for the Graz Facilities had increased by the maximum of 10%.

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

Granite's relationship with Magna is an arm's length landlord and tenant relationship governed by the terms of Granite's leases. Granite's properties are generally leased to operating subsidiaries of Magna International Inc. and are not guaranteed by the parent company;

however, Magna International Inc. is the tenant under certain of Granite's leases. The terms of the lease arrangements with Magna generally provide for the following:

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

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

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

### *Other Tenants*

In addition to Magna, as at December 31, 2024, Granite had 119 other tenants from various industries that in aggregate comprised 74% of the Trust's annualized revenue. Each of these tenants accounted for less than 5% of the Trust's annualized revenue as at December 31, 2024.
Granite's top 10 tenants by annualized revenue as at December 31, 2024 are summarized in the table below:

**Top 10 Tenants Summary**

| Tenant | Annualized Revenue % | GLA % | WALT (years)[3] | Credit Rating[1][2] |
|---|---|---|---|---|
| Magna | 26.1 % | 19.2 % | 6.4 | A- |
| Amazon | 4.0 % | 3.9 % | 14.2 | AA |
| Mars Petcare US | 2.7 % | 3.5 % | 5.6 | NR |
| True Value Company | 2.1 % | 2.2 % | 16.2 | NR |
| Ceva Logistics US Inc. | 1.9 % | 1.6 % | 2.0 | B1 |
| ADESA | 1.8 % | 0.3 % | 4.6 | B- |
| Restoration Hardware | 1.6 % | 1.9 % | 3.3 | B1 |
| Light Mobility Solutions GmbH | 1.5 % | 1.3 % | 10.9 | NR |
| Hanon Systems | 1.5 % | 0.7 % | 6.2 | AA- |
| Samsung Electronics America | 1.5 % | 1.2 % | 1.7 | AA- |
| **Top 10 Tenants** | **44.7 %** | **35.8 %** | **7.2** | |

(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 December 31, 2024, Granite's portfolio had a weighted average lease term by square footage of 5.7 years (December 31, 2023 - 6.2 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 | 34 | 82.1 | 166 | 1,259 | 10.6 | 573 | 6.1 | 529 | 7.0 | 649 | 9.7 | 817 | 13.1 | 141 | 1.5 | 2,873 | 34.1 |
| **Canada-committed** [1] | — | — | — | — | (896) | (6.9) | — | — | — | — | — | — | — | — | 896 | 6.9 | — | — |
| **Canada - net** | **7,007** | **34** | **82.1** | **166** | **363** | **3.7** | **573** | **6.1** | **529** | **7.0** | **649** | **9.7** | **817** | **13.1** | **1,037** | **8.4** | **2,873** | **34.1** |
| United States | 38,821 | 80 | 259.0 | 2,925 | 3,112 | 20.5 | 3,309 | 26.8 | 2,642 | 17.2 | 7,409 | 47.3 | 5,515 | 44.3 | 1,822 | 10.6 | 12,087 | 92.3 |
| **United States - committed** [1] | — | — | — | — | (1,902) | (10.1) | (248) | (1.7) | — | — | 1,158 | 5.8 | — | — | 744 | 4.3 | 248 | 1.7 |
| **United States - net** | **38,821** | **80** | **259.0** | **2,925** | **1,210** | **10.4** | **3,061** | **25.1** | **2,642** | **17.2** | **8,567** | **53.1** | **5,515** | **44.3** | **2,566** | **14.9** | **12,335** | **94.0** |
| **United States - committed vacancy** [2] | | | | **(57)** | **—** | **—** | **—** | **—** | **—** | **—** | **—** | **—** | **57** | **—** | **—** | **—** | **—** | **—** |
| **United States - net with committed vacancy** | | | | **2,868** | **1,210** | **10.4** | **3,061** | **25.1** | **2,642** | **17.2** | **8,567** | **53.1** | **5,572** | **44.3** | **2,566** | **14.9** | **12,335** | **94.0** |
| Austria | 7,472 | 9 | 71.9 | — | — | — | 389 | 3.1 | 802 | 11.2 | 807 | 9.5 | 392 | 4.4 | — | — | 5,082 | 43.7 |
| **Austria-committed** [1] | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| **Austria-net** | **7,472** | **9** | **71.9** | **—** | **—** | **—** | **389** | **3.1** | **802** | **11.2** | **807** | **9.5** | **392** | **4.4** | **—** | **—** | **5,082** | **43.7** |
| Germany | 4,666 | 15 | 37.7 | — | 316 | 2.7 | 1,021 | 6.4 | 290 | 2.2 | 335 | 2.7 | 308 | 2.3 | 714 | 5.0 | 1,682 | 16.4 |
| **Germany-committed** [1] | — | — | — | — | (195) | (1.9) | — | — | — | — | — | — | — | — | 195 | 1.9 | — | — |
| **Germany-net** | **4,666** | **15** | **37.7** | **—** | **121** | **0.8** | **1,021** | **6.4** | **290** | **2.2** | **335** | **2.7** | **308** | **2.3** | **909** | **6.9** | **1,682** | **16.4** |
| Netherlands | 5,376 | 21 | 43.4 | 115 | 663 | 6.5 | 361 | 2.0 | 1,125 | 8.4 | 314 | 3.2 | 500 | 3.4 | 1,077 | 9.9 | 1,221 | 10.0 |
| **Netherlands - committed** [1] | — | — | — | — | (628) | (5.8) | — | — | — | — | — | — | — | — | 628 | 5.8 | — | — |
| **Netherlands - net** | **5,376** | **21** | **43.4** | **115** | **35** | **0.7** | **361** | **2.0** | **1,125** | **8.4** | **314** | **3.2** | **500** | **3.4** | **1,705** | **15.7** | **1,221** | **10.0** |
| **Total - Gross** | 63,342 | 159 | 494.1 | 3,206 | 5,350 | 40.3 | 5,653 | 44.4 | 5,388 | 46.0 | 9,514 | 72.4 | 7,532 | 67.5 | 3,754 | 27.0 | 22,945 | 196.5 |
| **Total-committed** [1] | — | — | — | — | (3,621) | (24.7) | (248) | (1.7) | — | — | 1,158 | 5.8 | — | — | 2,463 | 18.9 | 248 | 1.7 |
| **Total-Net, December 31, 2024** | **63,342** | **159** | **494.1** | **3,206** | **1,729** | **15.6** | **5,405** | **42.7** | **5,388** | **46.0** | **10,672** | **78.2** | **7,532** | **67.5** | **6,217** | **45.9** | **23,193** | **198.2** |
| **Total-Committed vacancy** [2] | | | | (57) | — | — | — | — | — | — | — | — | 57 | — | — | — | — | — |
| **Total-Committed occupancy** [3] | | | | 3,149 | 1,729 | 15.6 | 5,405 | 42.7 | 5,388 | 46.0 | 10,672 | 78.2 | 7,589 | 67.5 | 6,217 | 45.9 | 23,193 | 198.2 |
| **% of portfolio as at December 31, 2024:** | | | | | | | | | | | | | | | | | | |
| *** by sq ft (in %)** | **100.0** | | | **5.1** | **2.7** | | **8.5** | | **8.5** | | **16.8** | | **11.9** | | **9.8** | | **36.7** | |
| *** by Annualized Revenue (in %)** | | | **100.0** | | | **3.2** | | **8.6** | | **9.3** | | **15.8** | | **13.7** | | **9.3** | | **40.1** |
| **% of committed portfolio as at February 26, 2025** [3] | | | | | | | | | | | | | | | | | | |
| *** by sq ft (in %)** | **100.0** | | | **5.0** | **2.7** | | **8.5** | | **8.5** | | **16.8** | | **12.0** | | **9.8** | | **36.7** | |

[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 months and year ended December 31, 2024.

**Occupancy Roll Forward for Q4 2024**

| | Three Months Ended December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| *(in thousands, sq ft, except as noted)* | **Canada** | **USA** | **Austria** | **Germany** | **Netherlands** | **Total** |
| **Total portfolio size, Oct 1, 2024** | **7,007** | **38,821** | **7,472** | **4,666** | **5,374** | **63,340** |
| **Vacancy, Oct 1, 2024** | (166) | (3,351) | — | — | (119) | **(3,636)** |
| **Occupancy, Oct 1, 2024** | **6,841** | **35,470** | **7,472** | **4,666** | **5,255** | **59,704** |
| **Occupancy %, Oct 1, 2024** | **97.6 %** | **91.4 %** | **100.0 %** | **100.0 %** | **97.8 %** | **94.3 %** |
| **Occupied remeasurement** | — | — | — | — | 2 | **2** |
| **Expiries** | — | (1,034) | — | — | (36) | **(1,070)** |
| **Renewals** | — | 1,034 | — | — | 32 | **1,066** |
| **New Leases** | — | 426 | — | — | 9 | **435** |
| **Occupancy, December 31, 2024** | **6,841** | **35,896** | **7,472** | **4,666** | **5,262** | **60,137** |
| **Total portfolio size, December 31, 2024** | **7,007** | **38,821** | **7,472** | **4,666** | **5,376** | **63,342** |
| **Occupancy %, December 31, 2024** | **97.6 %** | **92.5 %** | **100.0 %** | **100.0 %** | **97.9 %** | **94.9 %** |
| **Committed vacancy, February 26, 2025** | **—** | **57** | **—** | **—** | **—** | **57** |
| **Committed occupancy, February 26, 2025** | **6,841** | **35,953** | **7,472** | **4,666** | **5,262** | **60,194** |
| **Committed occupancy %, February 26, 2025** | **97.6 %** | **92.6 %** | **100.0 %** | **100.0 %** | **97.9 %** | **95.0 %** |

**Occupancy Roll Forward for Year 2024**

| | Year Ended December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| *(in thousands, sq ft, except as noted)* | **Canada** | **USA** | **Austria** | **Germany** | **Netherlands** | **Total** |
| **Total portfolio size, Jan 1, 2024** | **6,546** | **38,821** | **7,472** | **4,666** | **5,367** | **62,872** |
| **Vacancy, Jan 1, 2024** | (75) | (3,046) | — | — | (52) | **(3,173)** |
| **Occupancy, Jan 1, 2024** | **6,471** | **35,775** | **7,472** | **4,666** | **5,315** | **59,699** |
| **Occupancy %, Jan 1, 2024** | **98.9 %** | **92.2 %** | **100.0 %** | **100.0 %** | **99.0 %** | **95.0 %** |
| **Completed developments** | 410 | — | — | — | — | **410** |
| **Completed expansions** | 49 | — | — | — | 52 | **101** |
| **Remeasurement** | — | — | — | — | (3) | **(3)** |
| **Development vacancy** | (20) | — | — | — | — | **(20)** |
| **Expiries** | (568) | (3,476) | (5,349) | (308) | (317) | **(10,018)** |
| **Surrenders and early terminations** | — | (706) | — | — | — | **(706)** |
| **Renewals** | 499 | 2,776 | 5,349 | 308 | 199 | **9,131** |
| **New Leases** | — | 1,527 | — | — | 16 | **1,543** |
| **Occupancy, December 31, 2024** | **6,841** | **35,896** | **7,472** | **4,666** | **5,262** | **60,137** |
| **GLA remeasurement** | 2 | — | — | — | (40) | (38) |
| **Total portfolio size, December 31, 2024** | **7,007** | **38,821** | **7,472** | **4,666** | **5,376** | **63,342** |
| **Occupancy %, December 31, 2024** | **97.6 %** | **92.5 %** | **100.0 %** | **100.0 %** | **97.9 %** | **94.9 %** |
| **Committed vacancy, February 26, 2025** | **—** | **57** | **—** | **—** | **—** | **57** |
| **Committed occupancy, February 26, 2025** | **6,841** | **35,953** | **7,472** | **4,666** | **5,262** | **60,194** |
| **Committed occupancy %, February 26, 2025** | **97.6 %** | **92.6 %** | **100.0 %** | **100.0 %** | **97.9 %** | **95.0 %** |

### *New and Renewal Lease Spreads*

The following table summarizes rental rate spreads achieved on new and renewal leasing during the three months and year ended December 31, 2024.

**New and Renewal Lease Spreads**

| | Three Months Ended December 31, 2024 | | Year Ended December 31, 2024 | |
|---|---|---|---|---|
| | **Sq Ft (in thousands)** | **Rental Rate Spread[(1)]** | **Sq Ft (in thousands)** | **Rental Rate Spread[(1)]** |
| Canada | — | — % | 499 | 93 % |
| United States | 1,034 | 15 % | 3,603 | 14 % |
| Austria | — | — % | 5,349 | 9 % |
| Germany | — | — % | 308 | — % |
| Netherlands | 32 | — % | 199 | — % |
| **Total** | **1,066** | **14 %** | **9,958** | **15 %** |

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

The leasing activity in United States for the three months ended December 31, 2024 represents a fair market rent lease renewal and a short-term fixed rate lease extension in the United States.

The leasing activity in Netherlands for the three months ended December 31, 2024 represents one short-term/month-to-month lease renewal at Granite's property in Utrecht.

The leasing activity in Canada for the year ended December 31, 2024 represents two fair market rent lease renewals in the GTA. The leasing activity in the United States for the year ended December 31, 2024 represents five fair market rent lease renewals, three new leases, and one short-term fixed rate lease extension. The leasing activity in Austria for the year ended December 31, 2024 represents four contractual lease renewals. The leasing activity in Germany for the year ended December 31, 2024 represents one contractual fixed rate lease renewal. The leasing activity in Netherlands for the year ended December 31, 2024 represents ten renewals of short-term/month-to-month leases at Granite's property in Utrecht.

### *In-Place Rental Rates*

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

| Weighted Average In-Place Rent (Per Sq Ft) [1][2] | | | | | |
|---|---|---|---|---|---|
| | | December 31, 2024 | September 30, 2024 | December 31, 2023 | WALT (years)[3] |
| Canada | $ | 12.00 | $ 11.92 | $ 10.77 | 6.6 |
| United States | $ | 5.02 | $ 4.96 | $ 4.82 | 5.5 |
| Austria | € | 6.45 | € 6.45 | € 5.64 | 7.2 |
| Germany | € | 5.42 | € 5.40 | € 5.34 | 5.6 |
| Netherlands | € | 5.54 | € 5.49 | € 5.44 | 5.3 |

(1) Amounts shown in local currency.
(2) Weighted average in-place rent is calculated as the weighted average contractual base rent for the month subsequent to the quarterly reporting period multiplied by 12 months, divided by the total occupied area.
(3) Weighted average lease term-to-maturity as at December 31, 2024.

As at December 31, 2024, the weighted average in-place rental rates increased in all jurisdictions when compared with the rates noted in September 30, 2024 and December 31, 2023. The increases are driven by lease renewals, new leasing at Granite's completed developments, and fixed contractual and consumer price index rent escalations, capturing strong positive rental rate spreads in these regions.

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

Granite has various sources of available liquidity including cash, cash equivalents and the unused portion of its Credit Facility that aggregated to $1,123.4 million as at December 31, 2024 compared to $1,113.2 million at December 31, 2023, as summarized below:

| Sources of Available Liquidity | | | | |
|---|---|---|---|---|
| **As at December 31,** | | **2024** | | **2023** |
| Cash and cash equivalents | **$** | **126.2** | $ | 116.1 |
| Unused portion of Credit Facility | | **997.2** | | 997.1 |
| **Available liquidity** [1] | **$** | **1,123.4** | $ | 1,113.2 |
| **Additional sources of liquidity:** | | | | |
| Unencumbered assets[2] | **$** | **9,397.3** | $ | 8,808.1 |

[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, and for general trust purposes.

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

## Cash Flow Components

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

**Cash Flow Components Summary**

| | Three Months Ended December 31, | | | Years Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **$ change** | **2024** | **2023** | **$ change** |
| **Cash and cash equivalents, beginning of period** | **$ 133.5** | $ 158.3 | (24.8) | **$ 116.1** | $ 135.1 | (19.0) |
| Cash provided by operating activities | **71.2** | 76.0 | (4.8) | **338.6** | 313.1 | 25.5 |
| Cash used in investing activities | **(15.9)** | (18.2) | 2.3 | **(65.4)** | (128.1) | 62.7 |
| Cash used in financing activities | **(66.0)** | (99.1) | 33.1 | **(267.5)** | (203.1) | (64.4) |
| Effect of exchange rate changes on cash and cash equivalents | **3.4** | (0.9) | 4.3 | **4.4** | (0.9) | 5.3 |
| **Cash and cash equivalents, end of period** | **$ 126.2** | $ 116.1 | 10.1 | **$ 126.2** | $ 116.1 | 10.1 |

### *Operating Activities*

During the three month period ended December 31, 2024, operating activities generated cash of $71.2 million compared to $76.0 million in the prior year period. The decrease of $4.8 million was due to various factors as noted in the "*RESULTS OF OPERATIONS*" section including, among others, the following:

- an increase of $13.1 million of cash used in working capital changes primarily due to timing of payments and receipts;
- an increase of $1.7 million primarily relating to corporate restructuring costs;
- a decrease of $1.0 million in interest income generally due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period, primarily due to less interest income earned from the investment of net proceeds received from the issuance of the October 2029 Debentures on October 4, 2024 that were held in interest bearing investment accounts until the repayment of the 2024 Term Loan upon maturity on December 19, 2024 when compared to the interest income in the prior year period from the investment of net proceeds received from the issuance of the April 2029 Debentures on October 12, 2023 that were held in interest bearing investment accounts until the repayment of the 2023 Debentures upon maturity on November 30, 2023; and
- an increase of $0.9 million in interest paid primarily due to the issuance of the April 2029 Debentures in October 2023, partially offset by the repayment of the 2023 Debentures in November 2023, and the early repayment of the 2025 Term Loan in October 2024, partially offset by;
- an increase in NOI - cash basis of $10.6 million;
- an increase of $1.8 million in cash foreign exchange gains; and
- a decrease of $0.3 million in general and administrative expenses, excluding the impact of unit-based compensation.

During the year ended December 31, 2024, operating activities generated cash of $338.6 million compared to $313.1 million in the prior year period. The increase of $25.5 million was due to various factors as noted in the *"RESULTS OF OPERATIONS"* section including, among others, the following:

- an increase in NOI - cash basis of $36.9 million;
- an increase of $2.0 million in cash foreign exchange gains;
- a decrease of $0.9 million in general and administrative expenses, excluding the impact of unit-based compensation; and
- an increase of $0.5 million in lease termination and close-out fees, partially offset by;
- an increase of $7.0 million in interest paid primarily due to the issuance of the April 2029 Debentures in October 2023, the drawdown of the September 2026 Term Loan in September 2023, partially offset by the full repayment of the Credit Facility in September 2023, the repayment of the secured construction loan relating to the Houston, Texas development property in June 2023, the repayment of the 2023 Debentures in November 2023, the amendment executed on the December 2026 Term Loan interest payment terms in February 2024, and the early repayment of the 2025 Term Loan in October 2024;
- an increase of $3.5 million primarily relating to corporate restructuring costs;
- an increase of $3.0 million from cash used in working capital changes primarily due to timing of payments and receipts; and
- a decrease of $0.6 million in interest income generally due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period, primarily due to less interest income earned from the investment of net proceeds received from the issuance of the October 2029 Debentures on October 4, 2024 that were held in interest bearing investment accounts until the repayment of the 2024 Term Loan upon maturity on December 19, 2024 when compared to the interest income in the prior year period from the investment of net proceeds received from the issuance of the April 2029 Debentures on October 12, 2023 that were held in interest bearing investment accounts until the repayment of the 2023 Debentures upon maturity on November 30, 2023.

### *Investing Activities*

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

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

Investing activities for the three month period ended December 31, 2023 used cash of $18.2 million and primarily related to the following:

- additions to development properties paid of $13.2 million, primarily attributable to Granite's development projects in the United States and Canada;
- tenant allowances paid of $3.9 million primarily relating to tenant improvement activity for properties in the United States; and

- leasing costs paid of $2.4 million primarily relating to leasing activity at properties in the United States.

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

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

Investing activities for the year ended December 31, 2023 used cash of $128.1 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 $102.8 million;
- additions to development properties paid of $71.1 million, primarily attributable to Granite's development projects in the United States and Canada;
- additions to income-producing properties paid of $59.8 million primarily attributable to ongoing maintenance and expansion capital in Canada, the United States and Europe;
- leasing costs paid of $6.0 million primarily relating to leasing activity for properties in the United States; and
- tenant allowances paid of $6.0 million primarily related to tenant improvement activity for properties in the United States, partially offset by;
- loan repayment received of $69.3 million in conjunction with the closing of the acquisitions of two industrial properties in the United States; and
- net proceeds of $43.8 million received from the dispositions of two income-producing properties in the United States and Canada.

### *Financing Activities*

Cash used in financing activities for the three month period ended December 31, 2024 of $66.0 million was primarily comprised of $51.8 million of monthly distribution payments, $823.8 million used for the repayment of the 2025 Term Loan, the repayment of the 2024 Term Loan and the partial repayment of the September 2026 Term Loan, and $1.6 million used for the repurchase of units under the NCIB, partially offset by $795.7 million of net proceeds received from the issuance of the 2031 Debentures and the October 2029 Debentures, and the settlement proceeds received on the 2024 Cross Currency Interest Rate Swap of $15.9 million.

Cash used in financing activities for the three month period ended December 31, 2023 of $99.1 million largely comprised of $50.9 million of monthly distribution payments, $400.0 million used for the redemption of the 2023 Debentures and the settlement of the related 2023 Cross Currency Interest Rate Swap of $18.5 million and $27.0 million used for the repurchase of units under the NCIB, partially offset by $397.5 million of net proceeds received from the April 2029 Debentures.
Cash used in financing activities for the year ended December 31, 2024 of $267.5 million was largely comprised of $207.9 million of monthly distribution payments, $823.8 million used for the repayment of the 2025 Term Loan, the repayment of the 2024 Term Loan and the partial repayment of the September 2026 Term Loan, and $45.8 million used for the repurchase of units under the NCIB, partially offset by $795.7 million of net proceeds received from the issuance of the 2031 Debentures and the October 2029 Debentures, and the settlement proceeds received on the 2024 Cross Currency Interest Rate Swap of $15.9 million.

Cash used in financing activities for the year ended December 31, 2023 of $203.1 million was largely comprised of $203.9 million of monthly distribution payments, $50.6 million relating to the full repayment of the secured construction loan, net of advances, $91.3 million used for the full repayment of the Credit Facility, $400.0 million used for the redemption of the 2023 Debentures, $18.5 million used for the settlement of the related 2023 Cross Currency Interest Rate Swap, and $27.0 million used for the repurchase of units under the NCIB, partially offset by $102.1 million of net proceeds received from the full drawdown of the September 2026 Term Loan, $90.2 million of draws on the Credit Facility, and $397.5 million of net proceeds received from the April 2029 Debentures.

## Debt Structure

Granite's debt structure and key debt metrics as at December 31, 2024 and December 31, 2023 were as follows:

| Summary Debt Structure and Debt Metrics | | | | | | |
|---|---|---|---|---|---|---|
| **As at December 31,** | | | **2024** | | | **2023** |
| Unsecured debt, net | | **$** | **3,078.5** | $ | | 3,066.0 |
| Derivatives, net [4] | | | **(25.1)** | | | (100.8) |
| Lease obligations | | | **34.4** | | | 33.2 |
| **Total unsecured debt** | **[A]** | **$** | **3,087.8** | $ | | 2,998.4 |
| Secured debt | | | **—** | | | — |
| **Total debt [1][4]** | **[B]** | **$** | **3,087.8** | $ | | 2,998.4 |
| Less: cash and cash equivalents | | | **126.2** | | | 116.1 |
| **Net debt[1][4]** | **[C]** | **$** | **2,961.6** | $ | | 2,882.3 |
| **Investment properties** | **[D]** | **$** | **9,397.3** | $ | | 8,808.1 |
| **Unencumbered Assets** [5] | **[E]** | **$** | **9,397.3** | $ | | 8,808.1 |
| **Trailing 12-month adjusted EBITDA[1]** | **[F]** | **$** | **437.4** | $ | | 392.6 |
| Interest expense | | **$** | **89.9** | $ | | 78.7 |
| Interest income | | | **(7.1)** | | | (7.7) |
| **Trailing 12-month interest expense, net** | **[G]** | **$** | **82.8** | $ | | 71.0 |
| | | | | | | |
| **Debt metrics** | | | | | | |
| Leverage ratio[2] | **[B]/[D]** | | **33** | **%** | 34 | % |
| Net leverage ratio[2] | **[C]/[D]** | | **32** | **%** | 33 | % |
| Interest coverage ratio[2] | **[F]/[G]** | | | **5.3x** | | 5.5x |
| Unencumbered asset coverage ratio[2] | **[E]/[A]** | | | **3.0x** | | 2.9x |
| Indebtedness ratio[2] | **[B]/[F]** | | | **7.1x** | | 7.6x |
| Weighted average cost of debt [3] | | | **2.74** | **%** | 2.59 | % |
| Weighted average debt term-to-maturity, in years [3] | | | | **4.3** | | 3.9 |
| **Ratings and outlook** | | | | | | |
| Morningstar DBRS | | | | **BBB (high) stable** | | BBB (high) stable |
| Moody's[6] | | | | **Baa2 Stable** | | Baa2 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 agreements and trust indentures.

(6) Refer to section "*SIGNIFICANT MATTERS - Subsequent Events*".

### *Unsecured Debt*

**2031 Debentures**

On October 4, 2024, Granite LP issued $550.0 million aggregate principal amount of 4.348% Series 9 senior unsecured debentures due October 4, 2031 (the "2031 Debentures"). Interest on the 2031 Debentures is payable semi-annually in arrears on April 4 and October 4 of each year. As at December 31, 2024, all of the 2031 Debentures remained outstanding and the balance, net of deferred financing costs, was $547.1 million.

**October 2029 Debentures**

On October 4, 2024, Granite LP issued $250.0 million aggregate principal amount of 3.999% Series 8 senior unsecured debentures due October 4, 2029 (the "October 2029 Debentures"). Interest on the October 2029 Debentures is payable semi-annually in arrears on April 4 and October 4 of each year. As at December 31, 2024, all of the October 2029 Debentures remained outstanding and the balance, net of deferred financing costs, was $248.7 million.

**April 2029 Debentures**

On October 12, 2023, Granite LP issued $400.0 million aggregate principal amount of 6.074% Series 7 senior unsecured debentures due April 12, 2029 (the “April 2029 Debentures”). Interest on the April 2029 Debentures is payable semi-annually in arrears on April 12 and October 12 of each year. As at December 31, 2024, all of the 2029 Debentures remained outstanding and the balance, net of deferred financing costs, was $397.9 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 December 31, 2024, €60.0 million has been drawn and the balance, net of deferred financing costs, was $89.3 million.

**2025 Term Loan**

On September 15, 2022, Granite LP entered into and fully drew upon a US$400.0 million senior unsecured non-revolving term facility maturing on September 15, 2025 (the “2025 Term Loan”). The 2025 Term Loan is fully prepayable without penalty. Any amount repaid could not be re-borrowed. Interest on drawn amounts was calculated based on Secured Overnight Financing Rate ("SOFR") plus an applicable margin determined by reference to the external credit rating of Granite LP and was payable monthly in arrears. On October 4, 2024, Granite LP repaid in full the outstanding US$400.0 million aggregate principal amount of the 2025 Term

Loan without penalty. In conjunction with the repayment, the 2025 Interest Rate Swap was terminated and the related mark to market asset of US$0.6 million was settled.

**2028 Debentures**

On August 30, 2021, Granite LP issued $500.0 million aggregate principal amount of 2.194% Series 6 senior unsecured debentures due August 30, 2028 (the “2028 Debentures”). Interest on the 2028 Debentures is payable semi-annually in arrears on February 28 and August 30 of each year. As at December 31, 2024, all of the 2028 Debentures remained outstanding and the balance, net of deferred financing costs, was $498.5 million.

**2030 Debentures**

On December 18, 2020, Granite LP issued $500.0 million aggregate principal amount of 2.378% Series 5 senior unsecured debentures due December 18, 2030 (the "2030 Debentures"). Interest on the 2030 Debentures is payable semi-annually in arrears on June 18 and December 18 of each year. As at December 31, 2024, all of the 2030 Debentures remained outstanding and the balance, net of deferred financing costs, was $498.1 million.

**2027 Debentures**

On June 4, 2020, Granite LP issued $500.0 million aggregate principal amount of 3.062% Series 4 senior unsecured debentures due June 4, 2027 (the "2027 Debentures"). Interest on the 2027 Debentures is payable semi-annually in arrears on June 4 and December 4 of each year. As at December 31, 2024, all of the 2027 Debentures remained outstanding and the balance, net of deferred financing costs, was $498.9 million.

**December 2026 Term Loan**

On December 12, 2018, Granite LP entered into and fully drew upon a $300.0 million senior unsecured non-revolving term facility that originally matured on December 12, 2025. On November 27, 2019, Granite refinanced the $300.0 million term facility and extended the maturity date one year to December 11, 2026 (the “December 2026 Term Loan”). The December 2026 Term Loan is fully prepayable without penalty. Any amount repaid may not be re-borrowed.

Interest on drawn amounts of the December 2026 Term Loan was initially based on the Canadian Dollar Offered Rate (“CDOR”) plus an applicable margin determined by reference to the external credit rating of Granite LP. As a result of the cessation of the publication of CDOR on June 28, 2024 and the Canadian financial benchmark being replaced by the Canadian Overnight Repo Rate Average (“CORRA”), on February 8, 2024, Granite amended the December 2026 Term Loan and December 2026 Cross Currency Interest Rate Swap to update the benchmark rates in these agreements from CDOR to CORRA including a fixed spread for the basis difference between CDOR and CORRA, without any economic impact or change to Granite's risk management strategy.

As at December 31, 2024, the full $300.0 million remained outstanding and the balance, net of deferred financing costs and debt modification losses, was $299.8 million.

**2024 Term Loan**

On December 19, 2018, Granite LP entered into and fully drew upon a US$185.0 million senior unsecured non-revolving term facility that originally matured on December 19, 2022. On

October 10, 2019, Granite refinanced the US$185.0 million term facility and extended the maturity date two years to December 19, 2024 (the “2024 Term Loan”). The 2024 Term Loan was fully prepayable without penalty. Any amount repaid could not be re-borrowed.

Interest on drawn amounts of the 2024 Term Loan was initially based on the London Interbank Offered Rate (“LIBOR”) plus an applicable margin determined by reference to the external credit rating of Granite LP, but as the Federal Reserve Board discontinued the publication of the US dollar LIBOR benchmark rates on June 30, 2023 and replaced it with SOFR, on April 19, 2023, Granite amended the 2024 Term Loan and 2024 Cross Currency Interest Rate Swap to update the benchmark rates in these agreements from LIBOR to SOFR, including a fixed spread for the basis difference between LIBOR and SOFR, without any economic impact or change to Granite's risk management strategy.

On December 19, 2024, Granite LP repaid in full the outstanding US$185.0 million aggregate principal amount of the 2024 Term Loan. In conjunction with the repayment, the mark to market asset of US$10.8 million relating to the 2024 Cross Currency Interest Rate Swap was settled.

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

See also *“SIGNIFICANT MATTERS - SUBSEQUENT EVENTS”*.

### *Credit Facility*

On March 27, 2024, the Trust amended the Credit Facility to extend the maturity date by one year to March 31, 2029, with a limit of $1.0 billion. As the administrator of CDOR ceased publication of CDOR on June 28, 2024 and the Canadian financial benchmark was replaced by CORRA, the Trust also amended the benchmark rates from CDOR to CORRA for Canadian dollar denominated draws, including a fixed spread for the basis difference between CDOR and CORRA. Such amendments to the benchmark rates resulted in no economic impact to Granite’s borrowing rates.

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, 2029, the Trust has the option to extend the maturity date by one year to March 31, 2030, subject to the agreement of lenders in respect of a minimum of 66 2/3% of the aggregate amount committed under the Credit Facility. As at December 31, 2024, the Trust had no amount drawn and $2.8 million in letters of credit issued against the Credit Facility.

### *Derivatives*

Granite has entered into derivatives including cross currency interest rate swaps and interest rate swaps to lower its overall cost of borrowings and to hedge its currency exposure. The below table summarizes Granite's derivative arrangements outstanding as at December 31, 2024 and December 31, 2023:

| As at | Notional amount to be paid | Interest payment rate | Notional amount to be received | Interest receipt rate | Maturity date | December 31, 2024 Fair value assets (liabilities) | December 31, 2023 Fair value assets (liabilities) |
|---|---|---|---|---|---|---|---|
| 2024 Cross Currency Interest Rate Swap [1] | 168,200 EUR | 0.522 % | 185,000 USD | SOFR plus margin [4] | Dec. 19, 2024 | **$ —** | $ 9,042 |
| 2025 Interest Rate Swap [2] [3] | — — | 5.016 % | — — | SOFR plus margin | Sept. 15, 2025 | **—** | 4,847 |
| September 2026 Interest Rate Swap [4] [5] | — — | 4.333 % | — — | EURIBOR plus margin | Sept. 8, 2026 | **(1,502)** | (2,105) |
| December 2026 Cross Currency Interest Rate Swap | 205,500 EUR | 1.355 % | 300,000 CAD | CORRA plus margin [9] | Dec. 11, 2026 | **9,499** | 24,223 |
| 2027 Cross Currency Interest Rate Swap | 370,300 USD | 2.964 % | 500,000 CAD | 3.062 % | June 4, 2027 | **(13,255)** | 18,402 |
| 2028 Cross Currency Interest Rate Swap | 119,100 USD | 2.096 % | 150,000 CAD | 2.194 % | Aug. 30, 2028 | **(11,941)** | (3,067) |
| 2028 Cross Currency Interest Rate Swap | 242,100 EUR | 0.536 % | 350,000 CAD | 2.194 % | Aug. 30, 2028 | **5,270** | 8,998 |
| April 2029 Cross Currency Interest Rate Swap [6] | 277,700 EUR | 4.958 % | 400,000 CAD | 6.103 % | Apr. 12, 2029 | **(5,594)** | (3,257) |
| October 2029 Cross Currency Interest Rate Swap [7] | 167,400 EUR | 3.494 % | 250,000 CAD | 3.999 % | Oct. 4, 2029 | **(6)** | — |
| 2030 Cross Currency Interest Rate Swap | 319,400 EUR | 1.045 % | 500,000 CAD | 2.378 % | Dec. 18, 2030 | **42,606** | 43,730 |
| | | | | | | **$ 25,077** | $ 100,813 |

[1] On December 19, 2024, Granite LP repaid in full the outstanding US$185.0 million aggregate principal amount of the 2024 Term Loan. In conjunction with the repayment, the mark to market asset of US$10.8 million relating to the 2024 Cross Currency Interest Rate Swap was settled.

[2] On September 15, 2022, Granite LP entered into a float to fixed interest rate swap (the "2025 Interest Rate Swap") to exchange the floating SOFR portion of the interest payments of the 2025 Term Loan for fixed interest payments resulting in an all-in fixed interest rate of 5.016%.

[3] On October 4, 2024, Granite LP repaid in full the outstanding US$400.0 million aggregate principal amount of the 2025 Term Loan without penalty. In conjunction with the repayment, the 2025 Interest Rate Swap was terminated and the related mark to market asset of US$0.6 million was settled.

[4] On September 8, 2023, Granite LP entered into a float to fixed interest rate swap (the "September 2026 Interest Rate Swap") to exchange the floating EURIBOR-based interest payments of the September 2026 Term Loan for fixed interest payments resulting in an all-in fixed interest rate of 4.333%.

[5] 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.

[6] On October 12, 2023, Granite LP entered into a cross currency interest rate swap (the "April 2029 Cross Currency Interest Rate Swap") to exchange the Canadian dollar denominated principal and interest payments of the April 2029 Debentures for Euro denominated principal and interest payments resulting in an all-in effective fixed interest rate of 4.929%.

[7] On October 4, 2024, Granite LP entered into a cross currency interest rate swap (the "October 2029 Cross Currency Interest Rate Swap") to exchange the Canadian dollar denominated principal and interest payments of the October 2029 Debentures for Euro denominated principal and interest payments resulting in an all-in effective fixed interest rate of 3.494%.

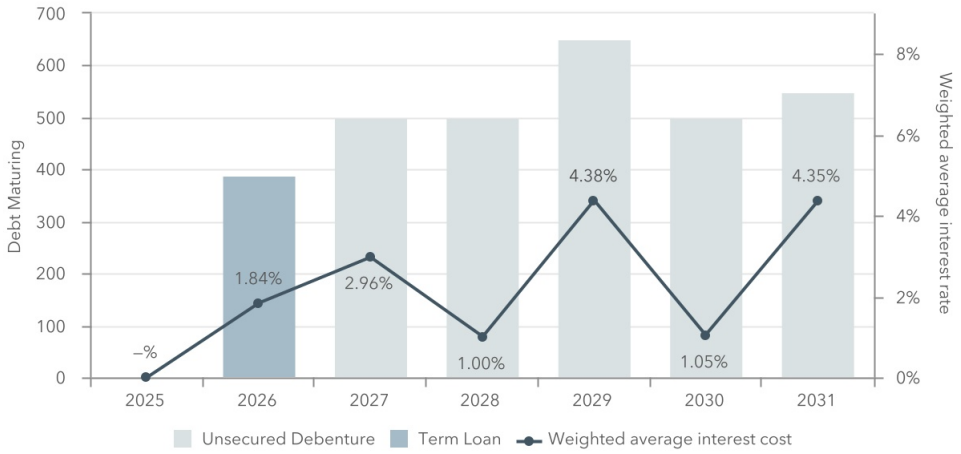
(8) On April 19, 2023, Granite amended the 2024 Cross Currency Interest Rate Swap to update the benchmark rate in the agreement from LIBOR to SOFR, including a fixed spread for the basis difference between LIBOR and SOFR, without any economic impact or change to Granite's risk management strategy. In combination with the 2024 Term Loan, the all-in effective fixed interest rate is 0.267%.

(9) On February 8, 2024, Granite amended the December 2026 Cross Currency Interest Rate Swap to update the benchmark rate in the agreement from CDOR to CORRA, including a fixed spread for the basis difference between CDOR and CORRA, without any economic impact or change to Granite's risk management strategy. In combination with the December 2026 Term Loan, the all-in effective fixed interest rate is 1.096%.

### *Debt Maturity Profile*

As at December 31, 2024, Granite's debt maturity profile and future repayments are as outlined below:

**Debt Maturity Profile**




| | | | | | | | |
|---|---|---|---|---|---|---|---|
| % of Debt Maturing | —% | 13% | 16% | 16% | 21% | 16% | 18% |

**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. Granite's interest coverage ratio decreased slightly from 5.5x for the year ended December 31, 2023 to 5.3x as at December 31, 2024 as a result of a 17% increase in interest expense due to an increase in Granite's weighted average cost of debt, partially offset by 11% EBITDA growth when comparing the two periods. Granite's leverage ratio remains stable and consistent with December 31, 2023, along with continued improvement to its indebtedness ratio from December 31, 2023 to December 31, 2024 primarily attributable to the 11% growth in EBITDA. The debt 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 December 31, 2024, Granite was in compliance with all of these covenants.

**Credit Ratings**

On March 26, 2024, Morningstar DBRS confirmed Granite LP's Issuer Rating and credit rating on the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, and the 2030 Debentures as BBB(high) with stable trends. On October 4, 2024, Morningstar DBRS assigned the credit rating on the October 2029 Debentures and the 2031 Debentures as BBB(high) with stable trends.

On September 20, 2024, Moody's confirmed Granite LP's Issuer Rating and the credit rating on the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, and the 2030 Debentures as Baa2 with a stable outlook. On October 4, 2024, Moody's assigned the credit rating on the October 2029 Debentures and the 2031 Debentures as Baa2 (see "*SIGNIFICANT MATTERS - Subsequent Events"*).

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

**Unitholders' Equity**

***Outstanding Units***

As at February 26, 2025, the Trust had 62,265,784 units issued and outstanding.

As at February 26, 2025, the Trust had 117,135 restricted units (representing the right to receive 117,135 units) and 137,702 performance units (representing the right to receive a maximum of 275,404 units) outstanding under the Trust's Executive Deferred Unit Plan. The Executive Deferred Unit Plan is designed to provide equity-based compensation to employees of Granite who are, by the nature of their position or job, in a position to contribute to the success of Granite.

As at February 26, 2025, the Trust had 165,842 deferred share units (representing the right to receive 165,842 units) outstanding under the Trust's Director/Trustee Deferred Share Unit Plan.

***Distributions***

On November 6, 2024, Granite increased its targeted annualized distribution by 3.03% to $3.40 ($0.2833 per month) per unit from $3.30 ($0.2750 per month) per unit, which was effective upon the declaration of the distribution in respect of the month of December 2024 and was paid on January 15, 2025.

Total distributions declared to unitholders in the three month periods ended December 31, 2024 and 2023 were $52.2 million or $0.8333 per unit and $51.3 million or $0.8084 per unit, respectively. Total distributions declared to unitholders in the years ended December 31, 2024 and 2023 were $208.2 million or $3.3100 per unit and $204.3 million or $3.2100 per unit, respectively.

The distributions declared in January 2025 in the amount of $17.6 million or $0.2833 per unit were paid on February 14, 2025 and the distributions declared in February 2025 of $0.2833 per unit will be paid on March 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 December 31, | | Years Ended December 31, | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| Net Income | **$ 84.8** | $ 32.0 | **$ 361.9** | $ 138.5 |
| Cash flows provided by operating activities | **71.2** | 76.0 | **338.6** | 313.1 |
| Monthly cash distributions paid and payable | **(52.2)** | (51.3) | **(208.2)** | (204.3) |
| **Cash flows from operating activities in excess of distributions paid and payable** | **$ 19.0** | $ 24.7 | **$ 130.4** | $ 108.8 |

Monthly distributions for the three month periods and years ended December 31, 2024 and 2023 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, 2024, Granite announced the acceptance by the Toronto Stock Exchange ("TSX") of Granite's Notice of Intention to Make a Normal Course Issuer Bid. Following completion of the Arrangement, the NCIB has continued as a NCIB of Granite REIT for the purchase of units. 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 6,273,168 of Granite's issued and outstanding units. The NCIB commenced on May 24, 2024 and will conclude on the earlier of the date on which purchases under the bid have been completed and May 23, 2025. Pursuant to the policies of the TSX, daily purchases made by Granite through the TSX may not exceed 23,113 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, 2023 to May 23, 2024.
During the three months ended December 31, 2024, Granite repurchased 23,000 units at an average unit cost of $69.08 for total consideration of $1.6 million, excluding commissions and taxes on net repurchases of units. During the year ended December 31, 2024, Granite repurchased 667,300 units at an average unit cost of $68.64 for total consideration of $45.8 million, excluding commissions and taxes on net repurchases of units.

During the three months and year ended December 31, 2023, Granite repurchased 392,700 units at an average unit cost of $68.73 for total consideration of $27.0 million, excluding commissions and taxes on net repurchases of units.

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

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

Off-balance sheet arrangements consist of outstanding letters of credit to support certain contractual obligations, property purchase commitments, construction and development project commitments and certain operating agreements. As at December 31, 2024, the Trust had $2.8 million in letters of credit outstanding. As at December 31, 2024, the Trust's contractual commitments totaled $12.1 million which comprised of costs to complete its ongoing construction and development projects. Granite expects to fund these commitments over the next year through the use of cash on hand, cash from operations and/or Granite's Credit Facility.

For further discussion of commitments, contractual obligations, contingencies and off-balance sheet arrangements, refer to notes 7, 9 and 19 to the audited consolidated combined financial statements for the year ended December 31, 2024.

## RELATED PARTY TRANSACTIONS

For a discussion of the Trust's transactions with related parties, refer to note 18 of the audited consolidated combined financial statements for the year ended December 31, 2024.

## 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 December 31, | | 2024 | | 2023 |
|---|---|---|---|---|
| **Net income attributable to unitholders** | **$** | **360.6** | $ | 136.7 |
| Add (deduct): | | | | |
| Interest expense and other financing costs | | **89.9** | | 78.7 |
| Interest income | | **(7.1)** | | (7.7) |
| Income tax expense (recovery) | | **30.9** | | (9.5) |
| Depreciation and amortization | | **1.3** | | 1.3 |
| Lease termination and close-out fees | | **(0.5)** | | — |
| Fair value (gains) losses on investment properties, net | | **(53.0)** | | 172.7 |
| Fair value (gains) losses on financial instruments, net | | **(5.2)** | | 17.3 |
| Foreign exchange losses on certain monetary items | | **16.7** | | — |
| Corporate restructuring costs | | **3.5** | | — |
| Loss on sale of investment properties | | **—** | | 1.5 |
| Non-controlling interests relating to the above | | **0.3** | | 1.6 |
| **Adjusted EBITDA** | **$** | **437.4** | $ | 392.6 |

**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 December 31, | | Years Ended December 31, | |
|---|---|---|---|---|---|
| | | **2024** | **2023** | **2024** | **2023** |
| *(in millions, except as noted)* | | | | | |
| **Monthly distributions declared to unitholders** | **[A]** | **$52.2** | $51.3 | **$208.2** | $204.3 |
| **FFO** | **[B]** | **92.7** | 81.2 | **343.9** | 317.6 |
| **AFFO** | **[C]** | **78.8** | 73.2 | **307.1** | 287.4 |
| **FFO payout ratio** | **[A]/[B]** | **56 %** | 63 % | **61 %** | 64 % |
| **AFFO payout ratio** | **[A]/[C]** | **66 %** | 70 % | **68 %** | 71 % |

### 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 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 year ended December 31, 2024. Refer to the "*INVESTMENT PROPERTIES*" section and note 4 of the audited consolidated combined financial statements for the year ended December 31, 2024 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 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 consolidated combined balance sheets and also the deferred income tax expense in the consolidated combined statements of net income.

## NEW ACCOUNTING PRONOUNCEMENTS AND DEVELOPMENTS

**New Standards Adopted**

*Amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current*

In January 2020, the IASB issued an amendment to IAS 1,*Presentation of Financial Statements*, to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduced a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued Non-Current Liabilities with Covenants (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments became effective on January 1, 2024 and required retrospective application.

The Trust adopted the amendments to IAS 1 as of January 1, 2024 and there was no material impact to its consolidated combined financial statements.

**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

### Disclosure Controls and Procedures

The President and Chief Executive Officer and the Chief Financial Officer of Granite have evaluated the effectiveness of the Trust's disclosure controls and procedures as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") and in Rules 13a-15(e) and 15d-15(e) under the United States Securities Exchange Act of 1934 as of December 31, 2024 (the "Evaluation Date"). They have concluded that, as of the Evaluation Date, the Trust's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Trust in the reports that they file or submit is (i) recorded, processed, summarized and reported within the time periods specified in the applicable rules and (ii) accumulated and communicated to the Trust's management, including their principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

### Management's Report on Internal Control Over Financial Reporting

The Trust's management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in NI 52-109 and Rules 13a-15(f) and 15d-15(f) under the United States Securities Exchange Act of 1934) for the Trust.

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

Under the supervision and with the participation of the Trust's President and Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of the Trust's internal control over financial reporting, as of the Evaluation Date, based on the framework set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under this framework, management concluded that the Trust's internal control over financial reporting was effective as of December 31, 2024.

Deloitte LLP, an independent registered public accounting firm, who audited and reported on the Trust's audited consolidated combined financial statements as at and for the year ended December 31, 2024 and whose report is included in the Trust's annual report for fiscal 2024, has also issued an attestation report under standards of the Public Company Accounting Oversight Board (United States) on the Trust's internal control over financial reporting as of December 31, 2024. The attestation report precedes the audited consolidated combined financial statements included in the Trust's annual report for fiscal 2024.

**Changes in Internal Control Over Financial Reporting**

As of the Evaluation Date, there were no changes in the Trust's internal control over financial reporting that occurred during the period beginning on the date immediately following the end of the period in respect of which Granite made its most recent previous interim filing and ended on December 31, 2024 that have materially affected, or that are reasonably likely to materially affect, the Trust's internal control over financial reporting.

**Limitation on the Effectiveness of Controls and Procedures**

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

## RISKS AND UNCERTAINTIES

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

## QUARTERLY FINANCIAL DATA (UNAUDITED)

| *(in millions, except as noted)* | Q4 '24 | Q3 '24 | Q2 '24 | Q1 '24 | Q4 '23 | Q3 '23 | Q2 '23 | Q1 '23 |
|---|---|---|---|---|---|---|---|---|
| ***Operating highlights*** [3] | | | | | | | | |
| **Revenue** | **$ 148.0** | $ 141.9 | $ 140.3 | $ 138.9 | $ 129.8 | $ 131.5 | $ 130.3 | $ 129.6 |
| **NOI - cash basis** [1] | **118.6** | 116.2 | 113.7 | 111.4 | 108.0 | 106.3 | 104.8 | 103.9 |
| **Fair value (losses) gains on investment properties, net** | **(1.5)** | 42.6 | (0.8) | 12.7 | (33.0) | (53.2) | (13.5) | (73.0) |
| **Net income attributable to unitholders** | **83.7** | 111.6 | 76.2 | 89.1 | 31.4 | 33.1 | 62.5 | 9.8 |
| **Cash provided by operating activities** | **71.2** | 106.7 | 76.7 | 84.0 | 76.0 | 85.2 | 67.9 | 84.0 |
| **FFO** [1] | **92.7** | 85.2 | 83.5 | 82.4 | 81.2 | 79.1 | 77.6 | 79.6 |
| **AFFO** [1] | **78.8** | 76.6 | 73.8 | 77.9 | 73.2 | 69.6 | 69.5 | 75.1 |
| **FFO payout ratio** [2] | **56%** | 61% | 62% | 63% | 63% | 64% | 66% | 64% |
| **AFFO payout ratio** [2] | **66%** | 68% | 70% | 67% | 70% | 73% | 73% | 68% |
| ***Per unit amounts*** | | | | | | | | |
| **Diluted FFO** [1] | **$ 1.47** | $ 1.35 | $ 1.32 | $ 1.30 | $ 1.27 | $ 1.24 | $ 1.21 | $ 1.25 |
| **Diluted AFFO** [1] | **$ 1.25** | $ 1.22 | $ 1.17 | $ 1.22 | $ 1.15 | $ 1.09 | $ 1.09 | $ 1.18 |
| **Monthly distributions paid** | **$ 0.83** | $ 0.83 | $ 0.83 | $ 0.83 | $ 0.80 | $ 0.80 | $ 0.80 | $ 0.80 |
| **Diluted weighted average number of units** | **63.0** | 63.0 | 63.2 | 63.6 | 63.8 | 63.9 | 63.9 | 63.9 |
| ***Financial highlights*** | | | | | | | | |
| **Investment properties** [4] | **$ 9,397.3** | $ 9,094.5 | $ 9,035.6 | $ 8,952.4 | $ 8,808.1 | $ 8,898.5 | $ 8,833.1 | $ 8,952.1 |
| **Assets held for sale** | **—** | — | — | — | — | — | 20.5 | 17.5 |
| **Cash and cash equivalents** | **126.2** | 133.5 | 101.3 | 139.9 | 116.1 | 158.3 | 119.2 | 117.2 |
| **Total debt** [1] | **3,087.8** | 3,080.5 | 3,036.1 | 3,034.5 | 2,998.4 | 2,999.4 | 2,954.4 | 2,951.5 |
| **Total capital expenditures incurred** | **5.1** | 10.0 | 15.4 | 7.8 | (1.8) | 8.7 | 18.6 | 19.6 |
| **Total leasing costs and tenant improvements incurred** | **8.6** | 1.6 | 5.6 | 1.1 | 5.3 | 2.7 | 3.0 | 1.0 |
| ***Property metrics*** [4] | | | | | | | | |
| **Number of income-producing properties** | **138** | 138 | 138 | 138 | 137 | 137 | 137 | 133 |
| **GLA, square feet** | **63.3** | 63.3 | 63.3 | 63.3 | 62.9 | 62.9 | 62.9 | 62.1 |
| **Occupancy, by GLA** | **94.9%** | 94.3% | 94.5% | 95.0% | 95.0% | 95.6% | 96.3% | 97.8% |
| **Weighted average lease term, years** | **5.7** | 5.9 | 5.9 | 6.1 | 6.2 | 6.4 | 6.5 | 6.7 |

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

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

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

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

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) | Q4 '24 | Q3 '24 | Q2 '24 | Q1 '24 | Q4 '23 | Q3 '23 | Q2 '23 | Q1 '23 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | $ **148.0** | 141.9 | 140.3 | 138.9 | 129.8 | 131.5 | 130.3 | 129.6 |
| **Less: Property operating costs** | **26.8** | 22.3 | 23.5 | 24.4 | 19.8 | 22.3 | 21.7 | 22.2 |
| **NOI** | **121.2** | 119.6 | 116.8 | 114.5 | 110.0 | 109.2 | 108.6 | 107.4 |
| **Add (deduct):** | | | | | | | | |
| **Lease termination and close-out fees** | **—** | — | (0.5) | — | — | — | — | — |
| **Straight-line rent amortization** | **(2.6)** | (3.4) | (2.6) | (3.2) | (3.1) | (4.0) | (4.9) | (4.6) |
| **Tenant incentive amortization** | **—** | — | — | 0.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| **NOI - cash basis** | $ **118.6** | 116.2 | 113.7 | 111.4 | 108.0 | 106.3 | 104.8 | 103.9 |

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) | Q4 '24 | Q3 '24 | Q2 '24 | Q1 '24 | Q4 '23 | Q3 '23 | Q2 '23 | Q1 '23 |
|---|---|---|---|---|---|---|---|---|
| **Net income attributable to unitholders** | $ **83.7** | $ 111.6 | $ 76.2 | $ 89.1 | $ 31.4 | $ 33.1 | $ 62.5 | $ 9.8 |
| **Add (deduct):** | | | | | | | | |
| **Fair value losses (gains) on investment properties, net** | **1.5** | (42.6) | 0.8 | (12.7) | 33.0 | 53.2 | 13.5 | 73.0 |
| **Fair value (gains) losses on financial instruments** | **(12.6)** | 2.9 | 2.5 | 2.0 | 15.4 | 2.5 | (1.1) | 0.5 |
| **Foreign exchange losses on certain monetary items**[1] | **16.7** | — | — | — | — | — | — | — |
| **Loss on sale of investment properties** | **—** | — | — | — | — | 0.9 | — | 0.6 |
| **Deferred income tax expense (recovery)** | **3.7** | 9.3 | 5.4 | 3.8 | 0.9 | (10.3) | 5.4 | (12.3) |
| **Fair value remeasurement of the Executive Deferred Unit Plan** | **(0.7)** | 1.4 | (1.2) | 0.2 | (0.4) | (0.7) | (0.4) | 4.6 |
| **Fair value remeasurement of the Directors Deferred Unit Plan** | **(1.5)** | 1.8 | (1.2) | — | 0.4 | (0.5) | (0.5) | 1.3 |
| **Corporate restructuring costs**[2] | **1.7** | 0.7 | 0.9 | 0.2 | — | — | — | — |
| **Non-controlling interests relating to the above** | **0.2** | 0.1 | 0.1 | (0.2) | 0.5 | 0.9 | (1.8) | 2.1 |
| **FFO** | $ **92.7** | $ 85.2 | $ 83.5 | $ 82.4 | $ 81.2 | $ 79.1 | $ 77.6 | $ 79.6 |
| **Add (deduct):** | | | | | | | | |
| **Maintenance or improvement capital expenditures incurred** | **(4.3)** | (3.7) | (5.8) | (0.6) | (0.9) | (4.5) | (2.2) | (0.1) |
| **Leasing costs** | **(5.4)** | (1.5) | (0.3) | (0.2) | (1.0) | (0.8) | (1.9) | (0.4) |
| **Tenant allowances** | **(1.6)** | — | (1.0) | (0.6) | (4.1) | (1.4) | (0.4) | (0.6) |
| **Tenant incentive amortization** | **—** | — | — | 0.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| **Straight-line rent amortization** | **(2.6)** | (3.4) | (2.6) | (3.2) | (3.1) | (4.0) | (4.9) | (4.6) |
| **Non-controlling interests relating to the above** | **—** | — | — | — | — | 0.1 | 0.2 | 0.1 |
| **AFFO** | $ **78.8** | $ 76.6 | $ 73.8 | $ 77.9 | $ 73.2 | $ 69.6 | $ 69.5 | $ 75.1 |

(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*"). See also "*SIGNIFICANT MATTERS - STAPLED UNIT STRUCTURE*". 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.

| *millions)* | | Q4 '24 | Q3 '24 | Q2 '24 | Q1 '24 | Q4 '23 | Q3 '23 | Q2 '23 | Q1 '23 |
|---|---|---|---|---|---|---|---|---|---|
| **secured debt, net** | **$** | **3,078.5** | 3,088.9 | 3,095.6 | 3,085.8 | 3,066.0 | 3,085.3 | 3,057.6 | 2,983.8 |
| **rivatives, net** | | **(25.1)** | (43.1) | (94.1) | (86.1) | (100.8) | (119.1) | (136.6) | (121.8) |
| **ase obligations** | | **34.4** | 34.7 | 34.6 | 34.8 | 33.2 | 33.2 | 33.4 | 33.7 |
| **tal unsecured debt** | | **3,087.8** | 3,080.5 | 3,036.1 | 3,034.5 | 2,998.4 | 2,999.4 | 2,954.4 | 2,895.7 |
| **cured debt** | | **—** | — | — | — | — | — | — | 55.8 |
| **tal debt** | **$** | **3,087.8** | 3,080.5 | 3,036.1 | 3,034.5 | 2,998.4 | 2,999.4 | 2,954.4 | 2,951.5 |

## 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 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 the 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 planning approval for a third phase of development for up to 1.3 million square feet on the 101.5 acre site in Houston, Texas and the potential yield from the project; the development of 12.9 acres of land in West Jefferson, Ohio and the potential yield from that project; the development of a 0.6 million square foot multi-phased business park on the remaining 36.0 acre parcel of land in Brantford, Ontario and the potential yield from that project; the development of a 0.2 million square foot modern distribution/logistics facility on the 10.1 acres of land in Brant County, Ontario and the potential yield of the project; estimates regarding Granite's development properties and expansion projects, including square footage of construction, total construction costs and total costs; Granite’s ability to meet its target occupancy goals; Granite’s ability to secure sustainability or other certifications for any of its properties; Granite’s ability to generate peak solar capacity on its properties; the impact of the refinancing of the term loans on Granite’s returns and cash flow; the amount of any distributions; and the effect of any legal proceedings on Granite. 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 risks related to Russia's 2022 invasion of Ukraine that may adversely impact Granite's operations and financial performance; economic, market and competitive conditions and other risks that may adversely affect Granite's ability to expand and diversify its real estate portfolio; and the risks set forth in the "Risk Factors" section in Granite's AIF for 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.

**EXHIBIT 4**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-282651 on Form S-8 and to the use of our reports dated February 26, 2025 relating to the consolidated combined financial statements of Granite Real Estate Investment Trust and its subsidiaries (collectively, "Granite" or the "Trust") and the effectiveness of the Trust's internal control over financial reporting appearing in this Annual Report on Form 40-F for the year ended December 31, 2024.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 26, 2025

*Approved: August 7, 2024*
*Effective: October 1, 2024*

**GRANITE REAL ESTATE INVESTMENT TRUST**

**AMENDED AND RESTATED CLAWBACK POLICY**

## 1. Objective and Scope

Granite Real Estate Investment Trust (" **Granite**") establishes and reserves the right of Granite to require disgorgement of all or a portion of Incentive-Based Compensation awarded or granted to an Executive Officer during the Clawback Period in the event of a Restatement (all as such terms are defined below).

This Policy applies to all persons who serve as an Executive Officer of Granite during a relevant financial period. Section 3 of this Policy is intended to comply with the listing requirements of the New York Stock Exchange ("**NYSE**") regarding clawback of Incentive-Based Compensation pursuant to Rule 10D-1 under the U.S. Securities Exchange Act of 1934, as amended and Section 4 of this Policy is intended to satisfy the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 ("**SOX**").

## 2. Further Definitions

For the purposes of this Policy, where the following defined terms are used, such defined terms shall mean the following:

**"Board**" means the Board of Trustees of Granite;

"**Clawback Period**" means the three completed fiscal years immediately preceding the earlier of (1) the date the Board (or a committee thereof) or the officer or officers of Granite authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that Granite is required to prepare a Restatement, or (2) the date that a court, regulator, or other legally authorized body directs Granite to prepare a Restatement. In addition, the Clawback Period includes any transition period (that results from a change in the issuer's fiscal year) within or immediately following those three completed fiscal years. However, a transition period between the last day of Granite's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months would be deemed a completed fiscal year;

"**Compensation Committee**" means the Compensation, Governance and Nominating Committee of the Board;

**"Deferred Units"** means RUs or PUs (each as defined in the Granite Executive Deferred Unit Plan as amended and restated effective October 1, 2024);

"**Executive Officer**" means Granite's current or former President, Chief Executive Officer, Chief Financial Officer, any Executive Vice President, Chief Accounting Officer, or if there is no such officer, then the Controller, any Vice-President of Granite in charge of a principal business unit, division or function, and any other current or former officer or person who performs or performed a significant policy-making function for Granite, including executive officers of Granite's subsidiaries, if they perform such policy-making functions for Granite;

"**Erroneously Awarded Compensation**" means the amount of Incentive-Based Compensation received by a current or former Executive Officer that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the Restatement, which shall be calculated without regard to any taxes paid;

"**Financial reporting measure**" means a measure that is determined and presented in accordance with the accounting principles used in preparing Granite's financial statements, and any measures that are derived wholly or in part from such measures. For the avoidance of doubt, stock price and total unitholder return are financial reporting measures;

"**Incentive-Based Compensation**" means any compensation (including cash and equity compensation) that is granted, earned or vested based wholly or in part upon the attainment of any financial reporting measure. For the avoidance of doubt, Incentive-Based Compensation does not include (1) base salary, (2) compensation awarded based solely on service to Granite (such as a time-vested awards of restricted units and options), or (3) compensation awarded based solely on subjective standards, strategic measures (such as upon completion of a corporate transaction) or operational measures (such as attainment of a certain market share); and

"**Restatement**" means any accounting restatement of Granite's financial statements due to material non-compliance of Granite with any financial reporting requirement under securities laws, including any required accounting restatement to correct a material error to previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

**3. Recovery of Erroneously Awarded Compensation upon Restatement Under the NYSE Listing Requirements**

Notwithstanding anything contained in this Policy, in the event that Granite is required to prepare a Restatement, then the Board shall require each Executive Officer to repay and/or forfeit any Erroneously Awarded Compensation received by such Executive Officer during the Clawback Period. Incentive-Based Compensation shall be deemed "received" in the fiscal period during which the applicable financial reporting measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant occurs after the end of that fiscal period. This Policy applies to all Incentive-Based Compensation received by an Executive Officer (i) after beginning service as an Executive Officer (including Incentive-Based Compensation derived from an award authorized before the individual is newly hired as an Executive Officer, e.g., inducement grants), (ii) who served as an Executive Officer at any time during the performance period for that Incentive-Based Compensation, (iii) while Granite has a class of securities listed on a national securities exchange or a national securities association, and (iv) during the Clawback Period.

The Board shall have the discretion to cancel awards, withhold payments or take such other action as it deems appropriate to recoup all Erroneously Awarded Compensation from the Executive Officers. Where the Erroneously Awarded Compensation consists of equity compensation, the Board will recover the excess portion of the equity award that would not have been granted or vested based on the Restatement, as follows:

- if the equity award is still outstanding, the Executive Officer will forfeit the excess portion of the award;
- if the equity award has been exercised or settled into units (the " **Underlying Units**"), and the Executive Officer still holds the Underlying Units, Granite will recover the number of Underlying Units relating to the excess portion of the award (less any exercise price paid for the Underlying Units); and
- if the Underlying Units have been sold by the Executive Officer, Granite will recover the proceeds received by the Executive Officer from the sale of the Underlying Units relating to the excess portion of the award (less any exercise price paid for the Underlying Units).

Where Incentive-Based Compensation is based only in part on the achievement of a financial reporting measure performance goal, the Board will determine the portion of the original Incentive-Based Compensation based on or derived from the financial reporting measure which was restated and will recalculate the affected portion based on the financial reporting measure as restated to determine the difference between the greater amount based on the original financial statements and the lesser amount that would have been received based on the Restatement. The Erroneously Awarded Compensation will be calculated on a pre-tax basis to ensure that Granite recovers the full amount of any Erroneously Awarded Compensation.

For Incentive-Based Compensation based on the unit price or total unitholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement: (a) the amount shall be based on a reasonable estimate of the effect of the accounting restatement on the unit price or total unitholder return upon which the Incentive-Based Compensation was received; and (b) Granite shall maintain and provide documentation of the determination of that reasonable estimate to the NYSE. Clawback of Erroneously Awarded Compensation shall be without regard to any fault, misconduct, responsibility or involvement of the Executive Officer in the material non-compliance with financial reporting measures that resulted in the Restatement.

The Board will take such action as it deems appropriate, in its sole and absolute discretion, to reasonably promptly clawback the Erroneously Awarded Compensation, unless Granite's committee of independent trustees responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent trustees serving on the Board, determines that it would be impracticable to recover such amount because (1) the direct costs of enforcing recovery would exceed the Erroneously Awarded Compensation amount to be recovered subsequent to making a reasonable and documented attempt at recovery; or (2) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of Granite, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder, based on opinion of counsel; or (3) if the recovery of the Incentive-Based Compensation would violate the home-country laws of Granite based on an opinion of home country counsel, which opinion must be provided to the NYSE.

To the extent that the provisions of this Section 3 would provide for recovery of Incentive-Based Compensation recoverable by Granite pursuant to Section 4 of this Policy, and/or any other recovery obligations (including pursuant to employment agreements, or plan awards), the amount such Executive Officer has already reimbursed Granite shall be credited to the required recovery under this Section 3.

The provisions of this Policy apply to the fullest extent of the law; provided however, to the extent that any provisions of this Policy are found to be unenforceable or invalid under any applicable law, such provision will be

applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

**4. Additional Recovery upon restatements as a result of Misconduct under SOX Section 304**

In addition to the provisions described in Section 3 above, if Granite is required to prepare an accounting restatement due to material non-compliance of Granite, as a result of misconduct, with any financial reporting requirement under the securities laws, then in accordance with Section 304 of the SOX, the Chief Executive Officer and Chief Financial Officer (at the time the financial document embodying such financial reporting requirement was originally issued) shall reimburse Granite for:

a. Any bonus or other incentive-based compensation or equity-based compensation received from Granite during the 12-month period following the first public issuance or filing with the U.S. Securities Exchange Commission (whichever first occurs) of such financial document; and

b. any profits realized from the sale of securities of Granite during that 12-month period.

Such repayment shall be without regard to the knowledge, engagement or involvement of the Executive Officer in the misconduct.

**5. Implementation of Policy**

Each of the Executive Officer**s** shall execute the acknowledgement set out in Schedule "A" acknowledging the application of this Policy and the understanding that this Policy shall be binding and enforceable against them, their beneficiaries, heirs, executors, administrators or other legal representatives. This Policy may also be implemented in the form of contractual provisions in the grant documents for Deferred Units, an Executive Officer's employment agreement or any Cash Incentive award documentation.

**6. General**

In no event shall Granite be required to award Executive Officers an additional payment if the restated or accurate financial results would have resulted in a higher incentive compensation payment. Granite will not indemnify or provide insurance to cover any repayment of Incentive-Based Compensation in accordance with this Policy.

This Policy is in addition to (and not in lieu of) any right of repayment, forfeiture or right of offset against any Executive Officer that is required pursuant to any other statutory repayment requirement (regardless of whether implemented at any time prior to or following the adoption of this Policy). Nothing in this Policy in any way detracts from or limits any obligation that those subject to it have in law or pursuant to a management, employment, consulting or other agreement with Granite or any of its subsidiaries.

**7. Compensation, Governance and Nominating Committee Review and Reporting to the Board**

This Policy shall be administered by the Compensation, Governance and Nominating Committee, which shall have the authority to make all determinations and take all actions contemplated hereunder in its discretion. The Compensation, Governance and Nominating Committee shall report to the Board on any determinations made or actions taken under this Policy.

**8. Review of this Policy**

This Policy will be reviewed periodically by the Compensation, Governance and Nominating Committee. Any amendments to this Policy shall be subject to approval by the Board.

* * * * *

This Policy is dated and effective as of August 9, 2023 and amended as of October 1, 2024 **.**

*Approved: August 7, 2024*
*Effective: October 1, 2024*

**SCHEDULE "A"**

**Acknowledgement – Granite Real Estate Investment Trust Clawback Policy**

The undersigned hereby certifies that the undersigned has read and understands Granite's Clawback Policy, a copy of which is attached hereto. In consideration for future discretionary payments or grants of Incentive-Based Compensation, and other good and valuable consideration the sufficiency of which is hereby acknowledged, the undersigned acknowledges and agrees to be bound by this Policy for any Incentive-Based Compensation awarded or granted.

Date: _____ Signature: _____

Name: _____
(please print)

**EXHIBIT 99.1**

**Certification Pursuant to 18 U.S.C. 1350,**
**As Adopted Pursuant to**
**Section 906 of the Sarbanes-Oxley Act of 2002**
**Granite Real Estate Investment Trust**

In connection with the annual report of Granite Real Estate Investment Trust (the "Company") on Form 40-F for the fiscal year ended December 31, 2024 (the "Report") to which this certification is an exhibit, I, Kevan Gorrie, Trustee, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2025

By: /s/ KEVAN GORRIE
Name: Kevan Gorrie
Title: Trustee, President and Chief Executive Officer

**EXHIBIT 99.2**

**Certifications**
**Granite Real Estate Investment Trust**

I, Kevan Gorrie, certify that:

1. I have reviewed this annual report on Form 40-F of Granite Real Estate Investment Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: February 26, 2025

By: /s/ KEVAN GORRIE

Name: Kevan Gorrie
Title: Trustee, President and Chief Executive Officer

**EXHIBIT 99.3**

**Certification Pursuant to 18 U.S.C. 1350,**
**As Adopted Pursuant to**
**Section 906 of the Sarbanes-Oxley Act of 2002**
**Granite Real Estate Investment Trust**

In connection with the annual report of Granite Real Estate Investment Trust (the "Company") on Form 40-F for the fiscal year ended December 31, 2024 (the "Report") to which this certification is an exhibit, I, Teresa Neto, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2025

By: /s/ TERESA NETO
Name: Teresa Neto
Title: Chief Financial Officer

**EXHIBIT 99.4**

**Certifications**
**Granite Real Estate Investment Trust**

I, Teresa Neto, certify that:

1. I have reviewed this annual report on Form 40-F of Granite Real Estate Investment Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: February 26, 2025

By: /s/ TERESA NETO
Name: Teresa Neto
Title: Chief Financial Officer