



First Quarter Report
2026

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BASIS OF PRESENTATION

Management's Discussion and Analysis of Results of Operations and Financial Position ("MD&A") of Granite Real Estate Investment Trust ("Granite REIT") summarizes the significant factors affecting the condensed consolidated operating results, financial condition, liquidity and cash flows of Granite REIT and its subsidiaries (collectively "Granite" or the "Trust") for the three months ended March 31, 2026. Unless otherwise noted, all amounts are in millions of Canadian dollars. This MD&A should be read in conjunction with the accompanying unaudited condensed consolidated financial statements for the three months ended March 31, 2026 and 2025 prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards" or "GAAP"). The MD&A was prepared as at May 6, 2026 and its contents were approved by the Board of Trustees of Granite REIT on this date. Additional information relating to Granite, including the Annual Report and Annual Information Form ("AIF") for fiscal 2025 and dated February 25, 2026, can be obtained from the Trust's website at www.granitereit.com and on SEDAR+ at www.sedarplus.ca.

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

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

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

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

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

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

FINANCIAL AND OPERATING HIGHLIGHTS

<i>(in millions, except as noted)</i>	Three Months Ended March 31,	
	2026	2025
Operating highlights		
Revenue	\$165.8	\$154.7
Net operating income ("NOI")	134.2	125.7
NOI - cash basis ⁽¹⁾	131.2	123.0
Constant currency same property NOI - cash basis ⁽¹⁰⁾	8.3 %	4.7 %
Net income attributable to unitholders	91.2	43.9
FFO ⁽¹⁾	95.8	91.0
AFFO ⁽¹⁾	85.9	88.4
Cash provided by operating activities	97.5	108.9
Monthly distributions paid	53.8	53.1
FFO payout ratio ⁽¹⁾⁽²⁾	56 %	58 %
AFFO payout ratio ⁽¹⁾⁽²⁾	63 %	60 %
Per unit amounts		
Diluted FFO ⁽¹⁾	\$1.57	\$1.46
Diluted AFFO ⁽¹⁾	\$1.41	\$1.41
Monthly distributions paid	\$0.89	\$0.85
Diluted weighted average number of units	60.9	62.5

As at March 31, 2026 and December 31, 2025	2026	2025
Financial highlights		
Investment properties - fair value	\$9,474.8	\$9,478.4
Assets held for sale ⁽⁹⁾	57.7	81.0
Cash and cash equivalents	94.2	139.6
Total debt ⁽³⁾	3,216.8	3,422.1
Trading price per unit (TSX: GRT.UN)	\$81.80	\$81.71
Debt metrics, ratings and trend		
Net leverage ratio ⁽¹⁾	33 %	35 %
Interest coverage ratio ⁽¹⁾	5.0x	5.0x
Indebtedness ratio (total debt to adjusted EBITDA) ⁽¹⁾	6.8x	7.3x
Weighted average cost of debt ⁽⁴⁾	2.63 %	2.72 %
Weighted average debt term-to-maturity, in years ⁽⁴⁾	3.2	3.4
Morningstar DBRS rating and trend ⁽¹¹⁾	BBB (high) positive	BBB (high) stable
Property metrics		
Number of investment properties	145	147
Income-producing properties	139	141
Development properties ⁽⁷⁾	6	6
Gross leasable area ("GLA"), square feet	61.5	62.6
Occupancy, by GLA	97.5 %	98.0 %
Committed occupancy, by GLA ⁽⁸⁾	98.3 %	98.6 %
Magna as a percentage of annualized revenue ⁽⁵⁾	27 %	26 %
Magna as a percentage of GLA	20 %	19 %
Weighted average lease term in years, by GLA	5.3	5.5
Overall capitalization rate ⁽⁶⁾	5.6 %	5.6 %
<p>⁽¹⁾ For definitions of Granite's non-GAAP performance measures and ratios, refer to the sections "NON-GAAP PERFORMANCE MEASURES" and "NON-GAAP RATIOS".</p> <p>⁽²⁾ The FFO and AFFO payout ratios are calculated as monthly distributions declared to unitholders, divided by FFO and AFFO, respectively, in a period.</p> <p>⁽³⁾ Total debt includes lease obligations recognized under IFRS 16, <i>Leases</i>.</p> <p>⁽⁴⁾ Excludes lease obligations recognized under IFRS 16, <i>Leases</i>.</p> <p>⁽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.</p> <p>⁽⁶⁾ Refer to "Valuation Metrics by Asset Category" in the "INVESTMENT PROPERTIES" section.</p> <p>⁽⁷⁾ Development properties include properties under development and land held for development.</p> <p>⁽⁸⁾ Committed occupancy as at May 6, 2026.</p> <p>⁽⁹⁾ Assets held for sale are excluded from investment properties and related property metrics. Accordingly, two such assets that were held for sale as at March 31, 2026 were excluded from investment properties and related metrics as at March 31, 2026 throughout this MD&A. Two such assets that were held for sale as at December 31, 2025 were excluded from investment properties and related property metrics as at December 31, 2025.</p> <p>⁽¹⁰⁾ Constant currency same property NOI - cash basis is calculated by converting the comparative same property NOI - cash basis at current period average foreign exchange rates. Constant currency same property NOI - cash basis excludes properties that were acquired, disposed of, classified as development properties or assets held for sale during the periods under comparison. The amount shown is the percentage increase of the current year period over the prior year period.</p> <p>⁽¹¹⁾ On March 24, 2026, Morningstar DBRS confirmed Granite LP's Issuer Rating and credit ratings on its debentures at BBB (high) and changed the trends to Positive from Stable.</p>		

SIGNIFICANT MATTERS

Property Dispositions

During the three months ended March 31, 2026, Granite disposed of two income-producing properties located in the Netherlands and the United States, for gross proceeds of \$142.1 million.

Dispositions (in millions, except as noted)						
Property Address	Location	Sq ft	Date Disposed	Sale Price ⁽¹⁾	Annualized Revenue ⁽²⁾	
Sophialaan 5	Utrecht, Netherlands	0.2	January 30, 2026	\$37.6	\$–	
8500 Tatum Rd.	Palmetto, GA	1.0	March 11, 2026	104.5	5.3	
		1.2		\$142.1	\$5.3	

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

⁽²⁾ As at the date of disposition.

Assets Held for Sale

As at March 31, 2026, two income-producing properties located in Canada and the United States are classified as assets held for sale, and are expected to be disposed within 12 months. The properties, having a fair value of \$57.7 million, are classified as assets held for sale on the unaudited condensed consolidated balance sheet as at March 31, 2026 and are excluded from the value of investment properties. The properties are also excluded from references to investment properties and related property metrics as at March 31, 2026 throughout this MD&A, unless otherwise noted. The financial results of these properties continue to be included in net income, FFO and AFFO and related per unit measurements presented in this MD&A.

Construction and Development Commitments

Granite had the following construction and development commitments as at March 31, 2026:

Commitments (in millions, except as noted)						
Property Location	Additional sq ft	Accruals/ Payments/ Deposits Made	Future Commitments ⁽¹⁾	Total Cost	Year-One Stabilized Yield ⁽²⁾	
As at March 31, 2026:						
Development and construction:						
Site plan approval for a development in Brantford, ON ⁽³⁾	0.7	5.0	0.9	5.9	N/A	
Site plan approval and site infrastructure for developments in Houston, TX ⁽³⁾	0.7	1.5	2.9	4.4	N/A	
Property under development in Houston, TX	0.4	31.6	31.0	62.6	7.5 %	
Other construction commitments	–	2.4	4.1	6.5	N/A	
		1.8 \$	40.5 \$	38.9 \$	79.4	N/A

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

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

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

During the first quarter of 2026:

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

Credit Facility Extension

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

September 2026 Term Loan Repayment

On February 13, 2026, Granite LP prepaid the remaining €50.0 million aggregate principal amount of its €70.0 million senior unsecured non-revolving term facility (the "September 2026 Term Loan") with no prepayment penalty. In conjunction with the prepayment, the remaining €50.0 million portion of 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% was also terminated and the related mark to market liability was settled.

ATM Prospectus

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

Morningstar DBRS Rating Confirmation and Trend Change

On March 24, 2026, Morningstar DBRS confirmed Granite LP's Issuer Rating and credit ratings on its debentures at BBB (high) and changed the trends to Positive from Stable.

Subsequent Events

ATM Program

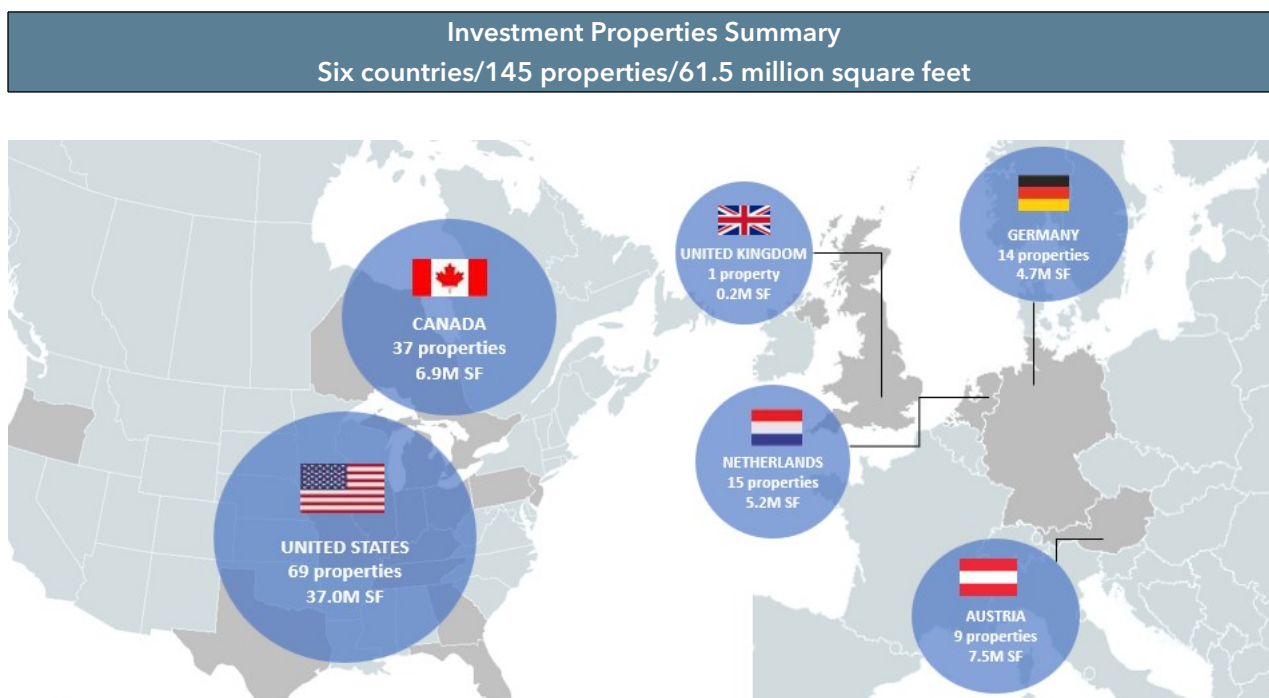
Subsequent to March 31, 2026, Granite issued 65,100 units under the ATM Program at an average unit price of \$93.67 for gross proceeds of \$6.1 million excluding issuance costs.

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 May 6, 2026, Granite owns 145 investment properties in six countries having approximately 61.5 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 May 6, 2026 are summarized below:



Strategic Outlook

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

Granite's long-term strategy is to continue to build upon its institutional and globally diversified industrial real estate business; to grow and diversify its asset base through acquisitions, development, re-development, expansions and dispositions; to maintain a conservative balance sheet; and to reduce its exposure to its largest tenant, Magna International Inc. and its

operating subsidiaries (collectively, "Magna") and the special purpose properties (see "INVESTMENT PROPERTIES").

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

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

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

2026 OUTLOOK

Granite is maintaining its 2026 guidance initially published on February 25, 2026. Granite's current outlook reflects no material change to its assumptions regarding leasing activity, operations, asset dispositions and acquisitions, capital expenditures or financing plans. The high and low ranges are driven by foreign currency exchange rate assumptions which remain unchanged and are outlined in the table below.

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

Measure	Current	Previously Published February 25, 2026
EUR:CAD exchange rate	no change	1.58 to 1.62
USD:CAD exchange rate	no change	1.34 to 1.40
GBP:CAD exchange rate	no change	1.80 to 1.86
FFO per unit	no change	\$6.25 to \$6.40
AFFO per unit	no change	\$5.40 to \$5.55
Maintenance capital expenditures, tenant allowances and leasing commissions impacting AFFO	no change	\$40.0 million
Constant currency same property NOI - cash basis, four quarter average	no change	5.5% to 6.5%

Granite's 2026 forecast assumes no favourable reversals of tax provisions relating to prior years which cannot be determined at this time. Non-GAAP performance measures are included in Granite's 2026 forecast above (see "NON-GAAP PERFORMANCE MEASURES"). See also "FORWARD-LOOKING INFORMATION".

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

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

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

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

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

¹ Sustainability Accounting Standards Board

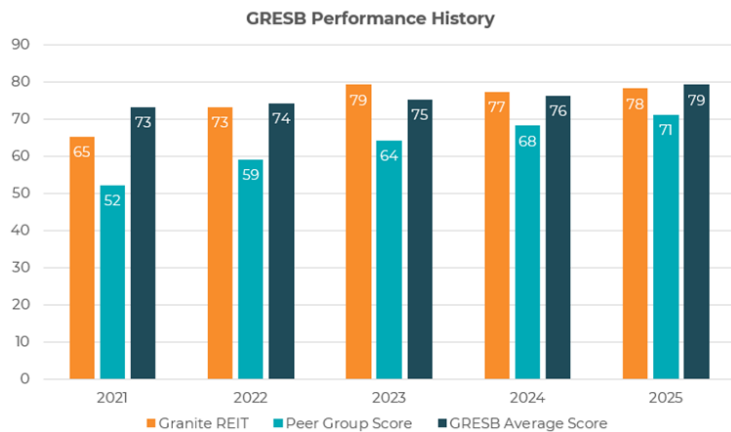
² Global Real Estate Sustainability Benchmarking

³ Global Reporting Initiative

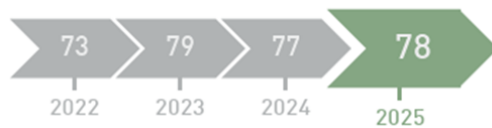
⁴ Task Force on Climate-related Financial Disclosures

⁵ International Sustainability Standards Board

2025 GRESB



Participation & Score



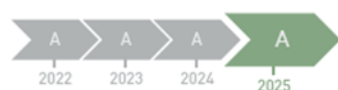
Predefined Peer Group Ranking



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

2025 GRESB Public Disclosure Report

Participation & Score



GRESB Public Disclosure Level



Comparison Group



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

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

Environmental – *Actions & Performance*

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

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

- Granite’s target is to increase the energy, emissions, water and waste data coverage across its portfolio to 50% of its income-producing portfolio by 2030 by collaborating with tenants, implementing green lease language, and obtaining data directly from the utility companies whenever available;
- Granite has exceeded its previously updated target to support the production of new renewable energy through the installation of on-site solar PV systems with the capacity to generate 50 MW of electricity by 2025⁷. Solar PV systems with peak generation capacity of 49.82 MW were operational on Granite properties as of December 31, 2025, resulting in Granite achieving 99.6% of its target for 2025. Following the disposition of Granite’s property in Utrecht, Netherlands in January 2026, the operational solar PV systems on Granite’s properties currently have a peak capacity of 48.92 MW;
- 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 of December 31, 2025, Granite has fully allocated net proceeds of \$1 billion issued under the first two green bonds and has allocated \$222 million (55.9%) of net proceeds on the third bond to Eligible Green Projects under its Green Bond Framework;
- In the first quarter of 2026, Granite sent tenants an annual Sustainability Metrics Survey for the fiscal year 2025. The survey is used to identify what sustainability initiatives have been implemented at each property over the past year and historically, including those initiated by tenants. A few highlights reported in the fiscal year 2025 responses include 347 electric vehicle charging stations across the portfolio, 64% of the portfolio tracking consumable recycling, and 66% of the portfolio implementing LED lighting or lighting retrofit; and
- Granite has exceeded the target to strategically evaluate and pursue applicable green building certifications at Granite’s properties and achieve 30% third-party green building certifications by floor area by 2030. Currently, 55.1% by floor area, or 43.2% by income-producing property count has been certified. Below is a list of Granite’s properties that have achieved a green certification.

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

⁷ Onsite solar projects were installed at a total of 16 Granite assets as at March 31, 2026.

Property	Size (Sq ft) in millions	Location	Certification Type	Level
Im Ghai 36	0.3	Altbach, Germany	DGNB New Construction Logistics Buildings	Gold
Aquamarijweg 2 & 4	0.2	Bleiswijk, Netherlands	BREEAM New Construction	Very Good
De Kroonstrat 1 (Phase 1), De Pooshoornstraat 2 (Phase 2)	0.5	Tilburg, Netherlands	BREEAM New Construction	Excellent
Francis Baconstraat 4	0.1	Ede, Netherlands	BREEAM New Construction	Very Good
Oude Graaf 15	0.2	Weert, Netherlands	BREEAM New Construction	Excellent
Swaardvenstraat 75	0.5	Tilburg, Netherlands	BREEAM New Construction	Excellent
United States				
100 Clyde Alexander Lane	0.7	Pooler, GA	LEED Core and Shell Development; IREM Certified Sustainable Property	Certified
101 Clyde Alexander Lane	0.3	Pooler, GA	LEED Core and Shell Development; IREM Certified Sustainable Property	Certified
3090 State Highway 42	1.0	Locust Grove, GA	IREM Certified Sustainable Property	Certified
1243 Gregory Dr.	0.5	Antioch, IL	LEED Core and Shell Development; IREM Certified Sustainable Property	Silver
1600 Rock Creek Blvd	0.1	Joliet, IL	IREM Certified Sustainable Property	Certified
3801 Rock Creek Blvd	0.3	Joliet, IL	IREM Certified Sustainable Property	Certified
3900 Rock Creek Blvd.	0.3	Joliet, IL	IREM Certified Sustainable Property	Certified
905 Belle Lane	0.2	Bolingbrook, IL	Green Globes New Construction	2 Green Globes
1201 Allpoints Court	0.5	Plainfield, IN	Green Globes New Construction	2 Green Globes
445 Airtech Pkwy.	0.6	Plainfield, IN	IREM Certified Sustainable Property	Certified
10566 Gateway Point	0.9	Clayton, IN	IREM Certified Sustainable Property	Certified
831 North Graham Rd.	0.5	Greenwood, IN	IREM Certified Sustainable Property	Certified
3870 Ronald Reagan Pkwy.	0.6	Plainfield, IN	IREM Certified Sustainable Property	Certified
10144 Veterans Dr.	0.7	Avon, IN	Green Globes New Construction	2 Green Globes
10207 Veterans Dr.	0.3	Avon, IN	Green Globes New Construction	2 Green Globes
5400 E. 500 S.	1.0	Whitestown, IN	IREM Certified Sustainable Property	Certified
60 Logistics Blvd.	0.7	Walton, KY	IREM Certified Sustainable Property	Certified
8735 South Crossroads Dr.	0.9	Olive Branch, MS	LEED Core and Shell Development	Certified
8740 South Crossroads Dr.	0.9	Olive Branch, MS	LEED Core and Shell Development; IREM Certified Sustainable Property	Certified; Certified
330 East Stateline Rd.	0.9	Southaven, MS	IREM Certified Sustainable Property	Certified

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

Property	Size (Sq ft) in millions	Location	Certification Type	Level
13250 Crosby Freeway	0.7	Houston, TX	Green Globes New Construction	2 Green Globes
Total	33.9			
% of GLA	55.1 %			

Social – *Actions & Performance*

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

Governance – *Actions & Performance*

- On August 6, 2025, Granite issued its 2024 ESG+R report which follows the GRI framework with TCFD and SASB disclosures;
- Granite’s ESG+R Committee provides leadership over Granite’s ESG+R program;
- Granite provides transparency to investors by incorporating ESG+R into regular updates to unitholders and stakeholders and through formal reporting frameworks such as GRESB, SASB, and GRI;
- Granite monitors asset compliance with government benchmarking requirements and ESG+R related regulations;
- In June 2025, Granite submitted to GRESB and received a 1st place ranking in its peer group;
- In 2025, with a score of 94 out of 100, Granite ranked 15th and the third real estate entity in the Globe & Mail Board Games governance ranking, out of a total of 206 companies comprising the S&P/TSX Composite Index;

- In March 2026, Granite was announced as a third-place winner in Finance Montreal's 2025 Best Sustainability Report Competition. Following a rigorous evaluation process conducted by Finance Montreal in collaboration with several Québec universities, Granite's ESG+R report was recognized for the quality, clarity and relevance of its sustainability disclosures;
- In June 2022, the Declaration of Trust was amended and restated to, among other things, (i) further align the Declaration of Trust with evolving governance best practices which includes introducing rights and remedies in favour of unitholders consistent with those available to shareholders of a corporation pursuant to the *Business Corporations Act* (British Columbia); and (ii) enhance unitholders' rights respecting the process for and procedures at unitholder meetings, including the submission of proposals by unitholders;
- Granite maintains robust policies governing the various aspects of its business activities, which are reviewed annually and updated from time to time in order to reflect regulatory compliance and industry best practices, as appropriate; and
- The Compensation, Governance and Nominating Committee provides oversight over Granite's ESG+R program. In addition, the Audit Committee is engaged in ESG+R matters as they pertain to overall risk management and oversight. Management provides regular updates on ESG+R matters and progress against objectives or targets to the wider Board of Trustees.

Resilience – Actions & Performance

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

RESULTS OF OPERATIONS

Net Income

The following is a summary of financial information from the unaudited condensed consolidated statements of net income for the three months ended March 31, 2026 and 2025, respectively:

Net Income			
<i>(in millions, except as noted)</i>	Three Months Ended March 31,		
	2026	2025	\$ change
Rental revenue	\$ 165.8	\$ 153.9	11.9
Lease termination and close-out fees	–	0.8	(0.8)
Revenue	165.8	154.7	11.1
Property operating costs	31.6	29.0	2.6
Net operating income	134.2	125.7	8.5
General and administrative expenses	11.7	8.5	3.2
Depreciation and amortization	0.3	0.3	–
Interest income	(0.7)	(1.0)	0.3
Interest expense and other financing costs	24.6	23.6	1.0
Foreign exchange (gains) losses, net	(0.3)	0.1	(0.4)
Fair value (gains) losses on investment properties, net	(7.3)	48.2	(55.5)
Fair value gains on financial instruments, net	(0.1)	(0.1)	–
Loss on sale of investment properties	1.7	–	1.7
Income before income taxes	104.3	46.1	58.2
Income tax expense	13.0	2.2	10.8
Net income	\$ 91.3	\$ 43.9	47.4
Net income attributable to:			
Unitholders	91.2	43.9	47.3
Non-controlling interests	0.1	–	0.1
	\$ 91.3	\$ 43.9	47.4

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 March 31,			March 31,	December 31,	
	2026	2025	Change	2026	2025	Change
\$ per €1.00	1.605	1.510	6%	1.607	1.609	–%
\$ per US\$1.00	1.372	1.435	(4%)	1.396	1.372	2%

For the three months ended March 31, 2026 compared to the prior year period, the average exchange rate of the Euro relative to the Canadian dollar was higher, which on a comparative basis, increased the Canadian dollar equivalent of revenue and expenses from Granite’s European operations.

For the three months ended March 31, 2026 compared to the prior year period, the average exchange rate of the US dollar relative to the Canadian dollar was lower, which on a comparative basis, decreased the Canadian dollar equivalent of revenue and expenses from Granite’s U.S. operations.

The period end exchange rate of the Euro relative to the Canadian dollar on March 31, 2026 was slightly lower when compared to the December 31, 2025 exchange rate. As a result, the Canadian dollar equivalent of assets and liabilities from Granite’s European operations was lower, when compared to December 31, 2025.

The period end exchange rate of the US dollar relative to the Canadian dollar on March 31, 2026 was higher when compared to the December 31, 2025 exchange rate. As a result, the Canadian dollar equivalent of assets and liabilities from Granite’s U.S. operations was higher, when compared to December 31, 2025.

On a net basis, the effect of the changes in exchange rates on Granite's operating results for the three months ended March 31, 2026 was as follows:

Effects of Changes in Exchange Rates on Operating Results	
	Three Months Ended March 31,
<i>(in millions, except per unit information)</i>	2026 vs 2025
Decrease in revenue	\$ (1.6)
Decrease in NOI - cash basis ⁽¹⁾	(0.6)
Decrease in net income	(1.9)
Decrease in FFO ⁽¹⁾	(1.4)
Decrease in AFFO ⁽¹⁾	(1.1)
Decrease in FFO ⁽¹⁾ per unit	\$(0.02)
Decrease in AFFO ⁽¹⁾ per unit	\$(0.02)

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

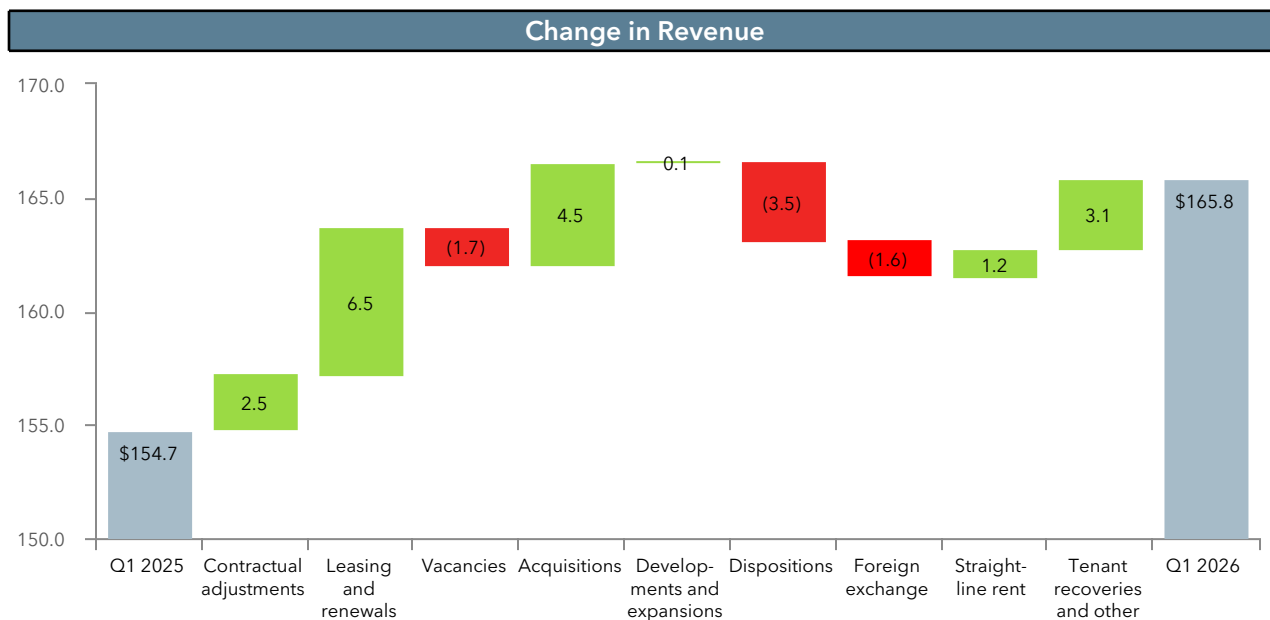
Operating Results

Revenue

Revenue				
	Three Months Ended March 31,			
	2026	2025	\$ change	
Rental revenue and amortization ⁽¹⁾	\$ 135.3	\$ 126.3	9.0	
Tenant recoveries	30.5	27.6	2.9	
Lease termination and close-out fees	-	0.8	(0.8)	
Revenue	\$ 165.8	\$ 154.7	11.1	

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

Revenue for the three month period ended March 31, 2026 increased by \$11.1 million to \$165.8 million from \$154.7 million in the prior year period. The components contributing to the change in revenue are detailed below:



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

- contractual rent adjustments included \$0.5 million from consumer price index based increases in Canada and Europe and \$2.0 million from fixed contractual adjustments primarily in the United States and Canada related to rent escalations;
- revenue increased by \$6.5 million due to renewal and re-leasing activities for properties primarily in Canada and the United States;
- vacancies at four properties in the United States, Germany and Canada decreased revenue by \$1.7 million;
- the acquisitions of eight income-producing properties in the United States and the United Kingdom increased revenue by \$4.5 million;
- the lease commencement of an expansion project in Canada increased revenue by \$0.1 million;
- the dispositions of five income-producing properties in the United States and Netherlands decreased revenue by \$3.5 million (see "SIGNIFICANT MATTERS - Property Dispositions");
- foreign exchange had a net \$1.6 million negative impact to revenue primarily due to the relative strengthening and weakening of the Canadian dollar against the US dollar and the Euro, respectively, which decreased revenue by \$4.2 million and increased revenue by \$2.6 million, respectively; and
- straight-line rent, and tenant recoveries and other increased revenue by \$1.2 million and \$3.1 million, respectively.

Net Operating Income

Net operating income ("NOI") in the three months ended March 31, 2026 was \$134.2 million compared to \$125.7 million during the three months ended March 31, 2025. 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. NOI - cash basis was \$131.2 million in the three months ended March 31, 2026 compared with \$123.0 million in the prior year period, an increase of 6.7%.

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 and classified as held for sale, or development properties during the periods under comparison. Same property NOI - cash basis in the three months ended March 31, 2026 was \$126.2 million, compared with \$116.8 million in the prior year period. The changes in NOI, NOI - cash basis and same property NOI - cash basis are detailed below:

Same Property NOI					
	Sq ft ⁽¹⁾ (in millions)	Three Months Ended March 31,			
		2026	2025	\$ change	% change
Revenue		\$165.8	\$154.7	11.1	
Less: Property operating costs		31.6	29.0	2.6	
NOI		\$134.2	\$125.7	8.5	6.8%
Add (deduct):					
Lease termination and close-out fees		–	(0.8)	0.8	
Straight-line rent amortization		(3.0)	(1.9)	(1.1)	
NOI - cash basis	62.1	\$131.2	\$123.0	8.2	6.7%
Less NOI - cash basis for:					
Acquisitions	1.6	(4.3)	–	(4.3)	
Dispositions and assets held for sale	3.4	(0.7)	(6.2)	5.5	
Same property NOI - cash basis	60.0	\$126.2	\$116.8	9.4	8.0%
Constant currency same property NOI - cash basis⁽²⁾	60.0	\$126.2	\$116.5	9.7	8.3%

⁽¹⁾ The square footage relating to the NOI – cash basis represents GLA of 62.1 million square feet as at March 31, 2026. The square footage relating to the same property NOI – cash basis represents the aforementioned GLA excluding the impact from the acquisitions, dispositions, assets held for sale and developments during the relevant period.

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

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

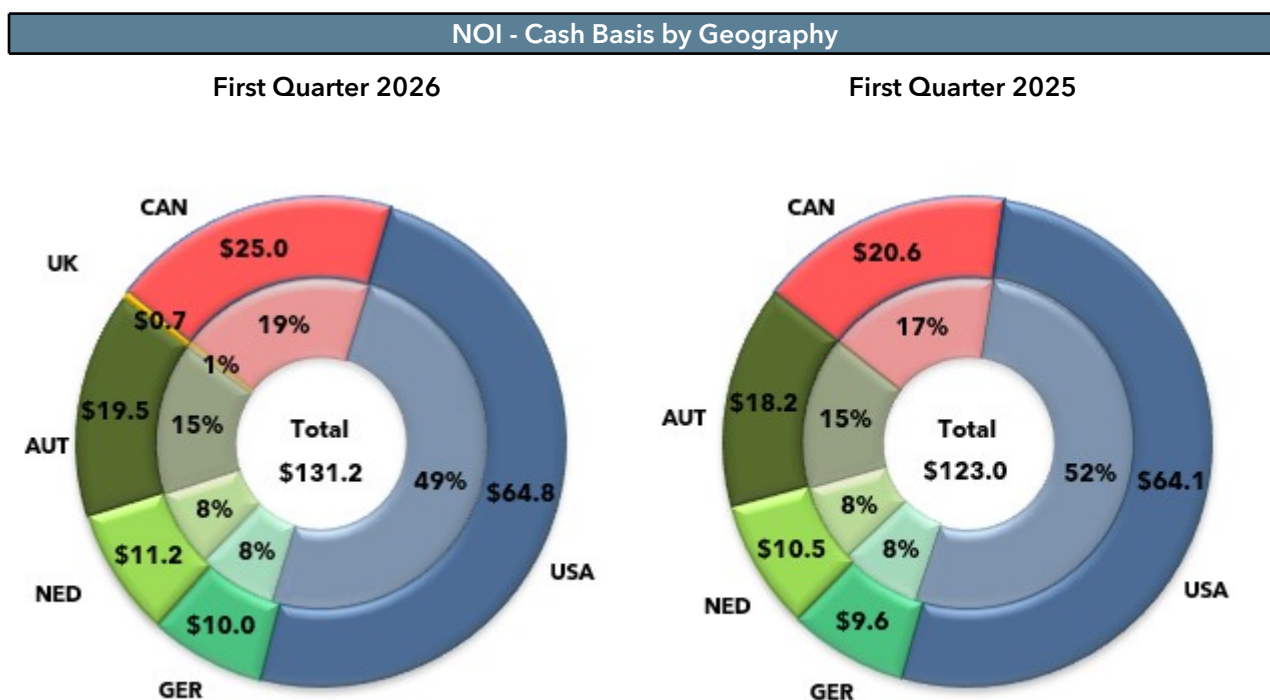
Straight-line rent amortization represents the scheduled fixed rent changes or rent-free periods in leases that are recognized in revenue evenly on a straight-line basis over the term of the lease. Tenant incentive amortization mainly represents cash allowance incentives provided to tenants that are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

NOI - cash basis for the three months ended March 31, 2026 increased by \$8.2 million to \$131.2 million from \$123.0 million in the prior year period, representing an increase of 6.7%.

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 and the vacancies at properties in the United States, Germany and Canada.

Same property NOI - cash basis for the three months ended March 31, 2026 increased by \$9.4 million (8.0%) to \$126.2 million from \$116.8 million in the prior year period, primarily due to the increase in contractual rents arising from both consumer price index and fixed rent increases, new and renewal leasing activity for properties primarily located in Canada and the United States, the lease up of three completed development properties in the United States, and the expiration of a rent-free period at a property in the United States, partially offset by vacancies at properties in United States, Germany and Canada, and unfavourable foreign exchange impact driven by fluctuations in the Canadian dollar relative to the US dollar and Euro. Constant currency same property NOI - cash basis for the three month period ended March 31, 2026 increased by \$9.7 million (8.3%) from the prior year period.

NOI - cash basis for the three month periods ended March 31, 2026 and 2025 by geography was as follows:



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 ended March 31, 2026 and 2025 by geography was as follows:

Same Property NOI - Cash Basis by Geography

	Three Months Ended March 31,		
	2026	2025	% change
Canada	\$24.9	\$20.4	22.1 %
United States	60.6	58.3	3.9 %
Austria	19.5	18.2	7.1 %
Germany	10.0	9.5	5.3 %
Netherlands	11.2	10.4	7.7 %
Same Property NOI - cash basis	\$126.2	\$116.8	8.0 %

Constant currency same property NOI - cash basis for the three month periods ended March 31, 2026 and 2025 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 March 31,		
	2026	2025	% change
Canada	\$24.9	\$20.4	22.1 %
United States	60.6	55.7	8.8 %
Austria	19.5	19.3	1.0 %
Germany	10.0	10.1	(1.0)%
Netherlands	11.2	11.0	1.8 %
Constant Currency Same Property NOI - cash basis ⁽¹⁾	\$126.2	\$116.5	8.3 %

⁽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 March 31,		
	2026	2025	\$ change
Salaries, incentives and benefits	\$ 5.8	\$ 4.2	1.6
Audit, legal and consulting	1.2	1.1	0.1
Trustee/director fees and related expenses including distributions	0.6	0.6	–
Executive unit-based compensation expense including distributions	1.9	1.5	0.4
Fair value remeasurement of trustee/director and executive unit- based compensation plans	0.3	(0.6)	0.9
Other public entity costs	0.6	0.4	0.2
Office rents including property taxes and common area maintenance costs	0.2	0.2	–
Capital tax	–	0.1	(0.1)
Information technology	0.7	0.6	0.1
Other	0.5	0.5	–
	\$ 11.8	\$ 8.6	3.2
Less: capitalized general and administrative expenses	(0.1)	(0.1)	–
General and administrative expenses	\$ 11.7	\$ 8.5	3.2

General and administrative expenses were \$11.7 million for the three month period ended March 31, 2026 and increased \$3.2 million in comparison to the prior year period primarily as a result of the following:

- an increase in salaries and benefits expense primarily due to an unfavourable adjustment relating to prior year incentive pay accruals recorded in the current year period, together with a favourable adjustment recognized in the prior year period related to 2024 incentive pay accruals;
- an increase in the fair value remeasurement expense associated with the trustee/director and executive unit-based compensation plans resulting from an increase in the market price of the Trust's units in the current year period compared to a decrease in the market price of the Trust's units in the prior year period;
- an increase in executive unit-based compensation expense primarily due to an increase in the number of restricted units ("RUs") and performance units ("PUs") outstanding relative to the prior year period resulting in a higher compensation expense of the RU and PU grants; and
- an increase in other public entity costs primarily related to higher ESG reporting expenses and other general costs.

Interest Income

Interest income for the three month period ended March 31, 2026 decreased \$0.3 million to \$0.7 million from \$1.0 million in the prior year period. The decrease is primarily due to lower interest rates and lower invested cash balances in the current year period relative to the prior year period.

Interest Expense and Other Financing Costs

Interest expense and other financing costs for the three month period ended March 31, 2026 increased \$1.0 million to \$24.6 million from \$23.6 million in the prior year period. The increase was primarily due to the increase in interest expense resulting from draws on Granite's Credit Facility and the general increase in foreign-denominated interest due to the weakening of the Canadian dollar against the Euro, partially offset by the interest savings from the issuance of the 2026 Debentures at a lower interest rate than the interest rate of Granite LP's senior unsecured non-revolving term facility in the amount of \$300 million due December 11, 2026 (the "December 2026 Term Loan") it refinanced, the partial prepayment of the September 2026 Term Loan in October 2025, the full repayment of the September 2026 Term Loan in February 2026, and the increase in capitalized interest resulting from higher development activity in the current year period.

As at March 31, 2026, Granite's weighted average cost of interest-bearing debt was 2.63% (March 31, 2025 - 2.67%) and its weighted average debt term-to-maturity was 3.2 years (March 31, 2025 - 4.1 years).

Foreign Exchange Gains and Losses, Net

Granite recognized net foreign exchange gains of \$0.3 million and net foreign exchange losses of \$0.1 million in the three months ended March 31, 2026 and 2025, respectively. The increase in net foreign exchange gains for the three months ended March 31, 2026 is primarily due to the increase in the foreign exchange gains from the remeasurement of certain monetary assets and liabilities of the Trust that are denominated in US dollars and Euros not forming part of a net investment in a foreign operation, partially offset by an increase in foreign exchange losses realized from the settlement of foreign exchange collar contracts in the current year period.

Fair Value Gains and Losses on Investment Properties, Net

Net fair value gains on investment properties were \$7.3 million and net fair value losses on investment properties were \$48.2 million in the three months ended March 31, 2026 and 2025, respectively. In the three months ended March 31, 2026, net fair value gains of \$7.3 million were primarily attributable to increases in fair market rents, partially offset by the expansion in discount and terminal capitalization rates at select U.S. properties.

Net fair value losses on investment properties in the three months ended March 31, 2025 of \$48.2 million were primarily attributable to the expansion in the discount and terminal capitalization rates at select properties across all of Granite's markets due to market conditions, partially offset by fair market rent increases at select properties, primarily in Europe.

Fair Value Gains and Losses on Financial Instruments, Net

The net fair value gains on financial instruments for the three months ended March 31, 2026 and 2025 were \$0.1 million in both periods.

The net fair value gains on financial instruments for the three months ended March 31, 2026 are primarily related to the net fair value gains on the foreign exchange collar contracts.

The net fair value gains on financial instruments for the three month period ended March 31, 2025 are related to the fair value gains from the ineffective hedge portion of the combination of the September 2026 Term Loan and the September 2026 Interest Rate Swap, the fair value gains from the ineffective hedge portion of a float to fixed cross currency interest rate swap (the "December 2026 Cross Currency Interest Rate Swap") to exchange the floating CORRA-based interest payments of the 2026 Debentures for fixed interest payments resulting in an all-in fixed interest rate of 1.355%, and the net fair value gains on the foreign exchange collar contracts.

The Trust partially employed or did not employ hedge accounting for certain derivatives and foreign exchange collars, therefore the change in fair value thereon is recognized in fair value gains on financial instruments, net, in the unaudited condensed consolidated statements of net income.

The Trust periodically enters into foreign exchange collars to hedge specific anticipated foreign currency transactions and to mitigate its foreign exchange exposure on its net cash flows. As at March 31, 2026, the Trust held 24 outstanding foreign exchange collar contracts (December 31, 2025 – nil) with a notional value of US\$96.0 million (December 31, 2025 – nil) which contract the Trust to sell US dollars and receive Canadian dollars if specific US dollar exchange rates relative to the Canadian dollar are met. As at March 31, 2026, the Trust also held 24 outstanding foreign exchange collar contracts (December 31, 2025 – 30) with a notional value of €39.0 million (December 31, 2025 – €48.0 million) which contract the Trust to sell Euros and receive Canadian dollars if specific Euro exchange rates relative to the Canadian dollar are met (see "*LIQUIDITY AND CAPITAL RESOURCES - Derivatives*").

Loss on Sale of Investment Properties

The loss on sale of investment properties for the three months ended March 31, 2026 was \$1.7 million, primarily related to broker commissions and legal and advisory costs in connection with two property dispositions, one property in Netherlands on January 30, 2026 and one property in the United States on March 11, 2026 (see "*SIGNIFICANT MATTERS - Property Dispositions*"). No properties were disposed of during the three months ended March 31, 2025.

Income Tax Expense

Income tax expense is comprised of the following:

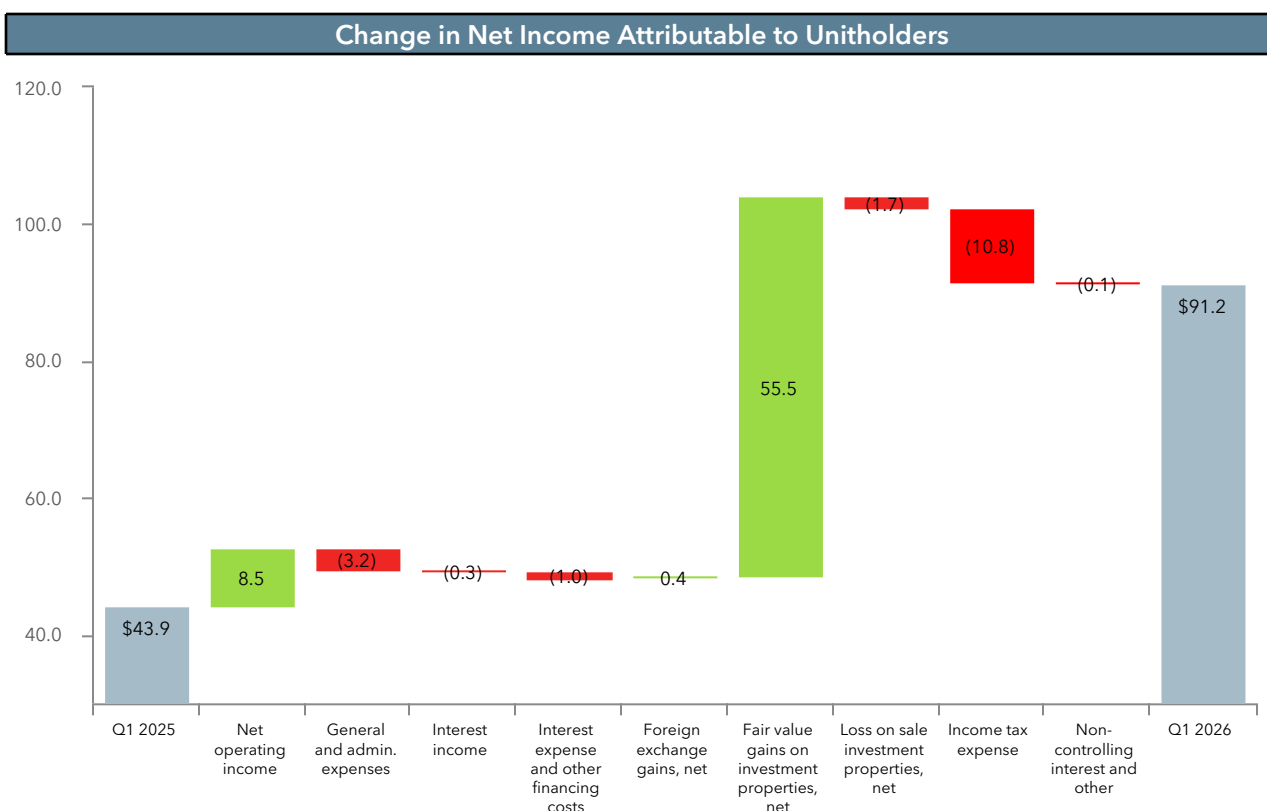
Income Tax Expense			
	Three Months Ended March 31,		
	2026	2025	\$ change
Foreign operations	\$ 3.0	\$ 2.7	0.3
Other	0.1	(0.2)	0.3
Current tax expense	3.1	2.5	0.6
Deferred tax expense (recovery)	9.9	(0.3)	10.2
Income tax expense	\$ 13.0	\$ 2.2	10.8

For the three months ended March 31, 2026, current tax expense increased compared to the prior year period primarily due to the release of a German withholding tax reserve pertaining to a prior tax year in the three months ended March 31, 2025, an increase in rental revenues in Europe and the United States, and the impact of the weakening of the Canadian dollar on Euro denominated tax expenses as compared to the prior year period.

The increase in deferred tax expense for the three months ended March 31, 2026 compared to the prior year period 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 March 31, 2026, net income attributable to unitholders was \$91.2 million compared to \$43.9 million in the prior year period. The increase in net income attributable to unitholders was primarily due to a \$55.5 million favourable change in fair value adjustments on investment properties and an \$8.5 million increase in net operating income, partially offset by a \$10.8 million increase in income tax expense, a \$3.2 million increase in general and administrative expenses, and a \$1.7 million increase in loss on sale of investment properties. The period-over-period variance is further summarized below:



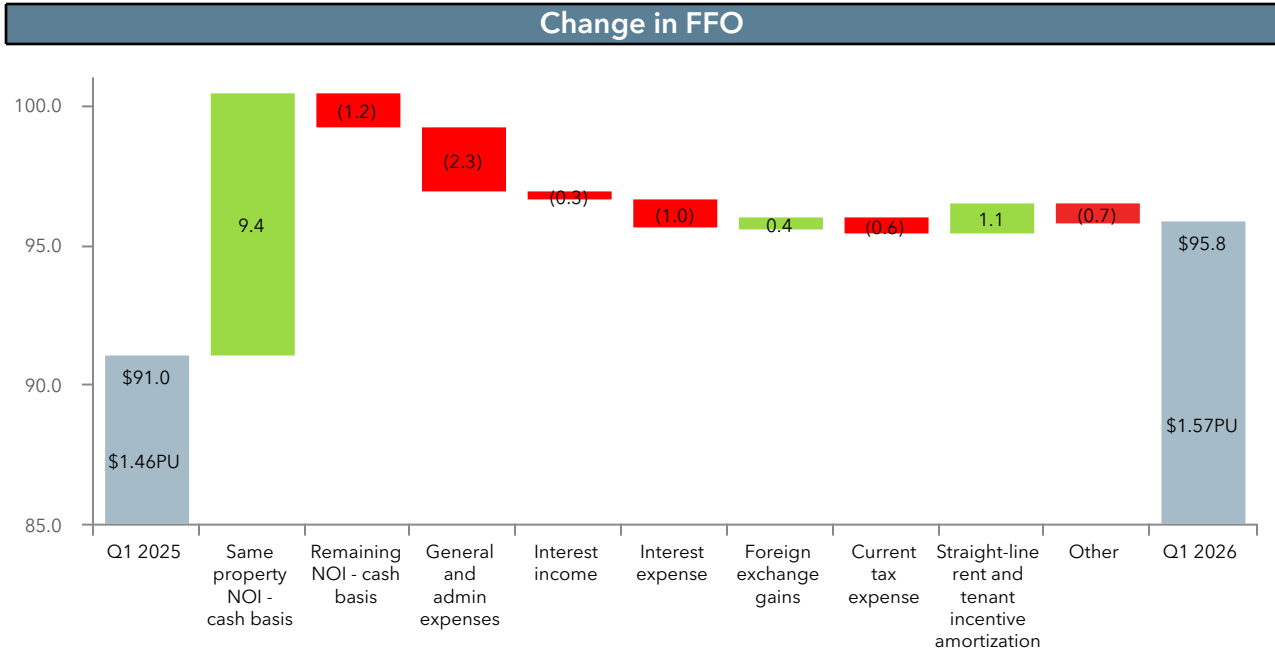
Funds From Operations and Adjusted Funds From Operations

The reconciliation of net income attributable to unitholders to FFO and AFFO for the three months ended March 31, 2026 and 2025, respectively, is presented below:

FFO and AFFO Reconciliation		Three Months Ended March 31,	
		2026	2025
<i>(in millions, except per unit information)</i>			
Net income attributable to unitholders		\$ 91.2	\$ 43.9
Add (deduct):			
Fair value (gains) losses on investment properties, net		(7.3)	48.2
Fair value gains on financial instruments, net		(0.1)	(0.1)
Loss on sale of investment properties		1.7	–
Deferred tax expense (recovery)		9.9	(0.3)
Fair value remeasurement of the Executive Deferred Unit Plan		0.2	(0.3)
Fair value remeasurement of the Directors Deferred Unit Plan		0.1	(0.3)
Non-controlling interests relating to the above		0.1	(0.1)
FFO	[A]	\$ 95.8	\$ 91.0
Add (deduct):			
Maintenance or improvement capital expenditures incurred		(5.1)	(0.4)
Leasing costs		(0.9)	(0.3)
Tenant allowances		(0.9)	–
Straight-line rent amortization		(3.0)	(1.9)
Non-controlling interests relating to the above		–	–
AFFO	[B]	\$ 85.9	\$ 88.4
Per unit amounts:			
Basic FFO per unit	[A]/[C]	\$ 1.58	\$ 1.46
Diluted FFO per unit	[A]/[D]	\$ 1.57	\$ 1.46
Basic AFFO per unit	[B]/[C]	\$ 1.42	\$ 1.42
Diluted AFFO per unit	[B]/[D]	\$ 1.41	\$ 1.41
Basic weighted average number of units	[C]	60.6	62.3
Diluted weighted average number of units	[D]	60.9	62.5

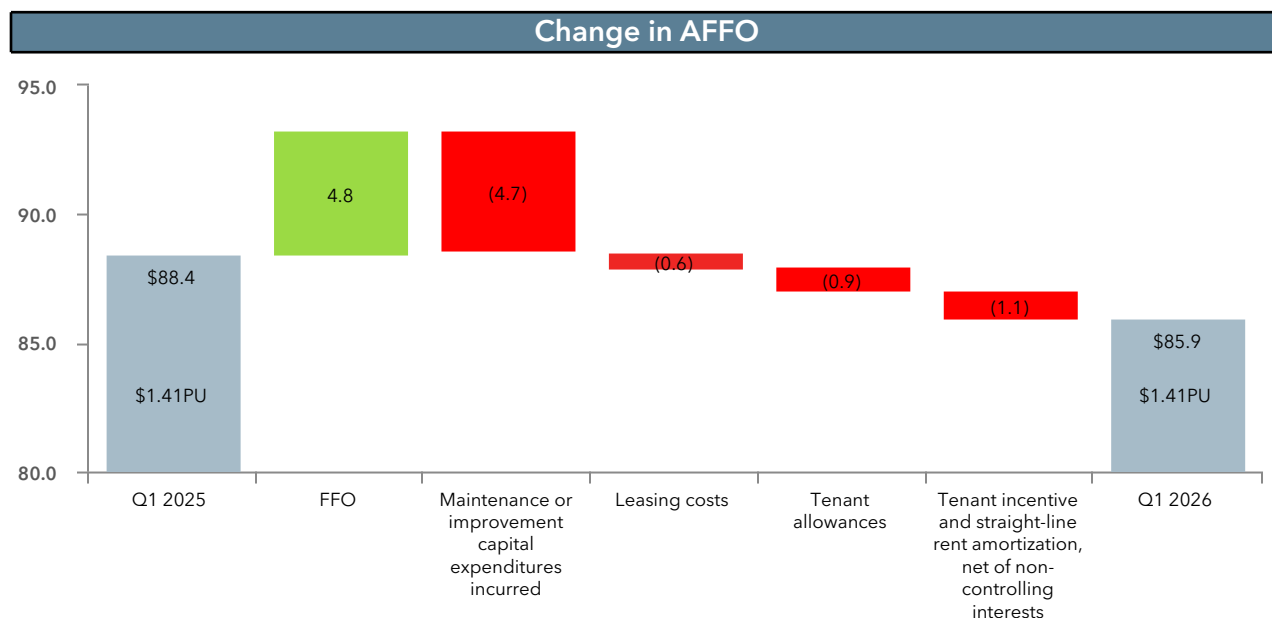
Funds From Operations

FFO for the three month period ended March 31, 2026 was \$95.8 million (\$1.57 per unit) compared to \$91.0 million (\$1.46 per unit) in the prior year period. The \$4.8 million (\$0.11 per unit) increase in the FFO components is summarized below:



Adjusted Funds From Operations

AFFO for the three month period ended March 31, 2026 was \$85.9 million (\$1.41 per unit) compared to \$88.4 million (\$1.41 per unit) in the prior year period. The \$2.5 million decrease in AFFO components is summarized below, with no change on a per unit basis:



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

- a \$4.7 million decrease in AFFO from higher maintenance or improvement capital expenditures incurred in the current year period relative to the prior year period;
- a \$1.1 million decrease in AFFO from an increase in tenant incentive and straight-line rent amortization, net of non-controlling interests, primarily due to a rent-free period associated with a new lease at a property in the United States in the current year period;
- a \$0.9 million decrease in AFFO from an increase in tenant allowances paid in the current year period relative to the prior year period; and
- a \$0.6 million decrease in AFFO primarily from higher leasing costs in the current year period, partially offset by;
- the \$4.8 million increase in FFO, as noted previously.

INVESTMENT PROPERTIES

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

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

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

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

Summary attributes of the investment properties as at March 31, 2026 and December 31, 2025 are as follows:

Investment Properties Summary

As at March 31, 2026 and December 31, 2025	2026	2025
<i>(in millions, except as noted)</i>		
Investment properties - fair value	\$9,474.8	\$9,478.4
Income-producing properties	9,341.3	9,359.3
Development properties ⁽⁴⁾	133.5	119.1
Overall capitalization rate ⁽¹⁾	5.6 %	5.6 %
Number of investment properties	145	147
Income-producing properties	139	141
Development properties ⁽⁴⁾	6	6
Property metrics		
GLA, square feet	61.5	62.6
Occupancy, by GLA	97.5 %	98.0 %
Committed occupancy, by GLA ⁽³⁾	98.3 %	98.6 %
Weighted average lease term in years, by GLA	5.3	5.5
Total number of tenants	128	132
Magna as a percentage of annualized revenue ⁽²⁾	27 %	26 %
Magna as a percentage of GLA	20 %	19 %

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

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

⁽³⁾ Committed occupancy as at May 6, 2026.

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

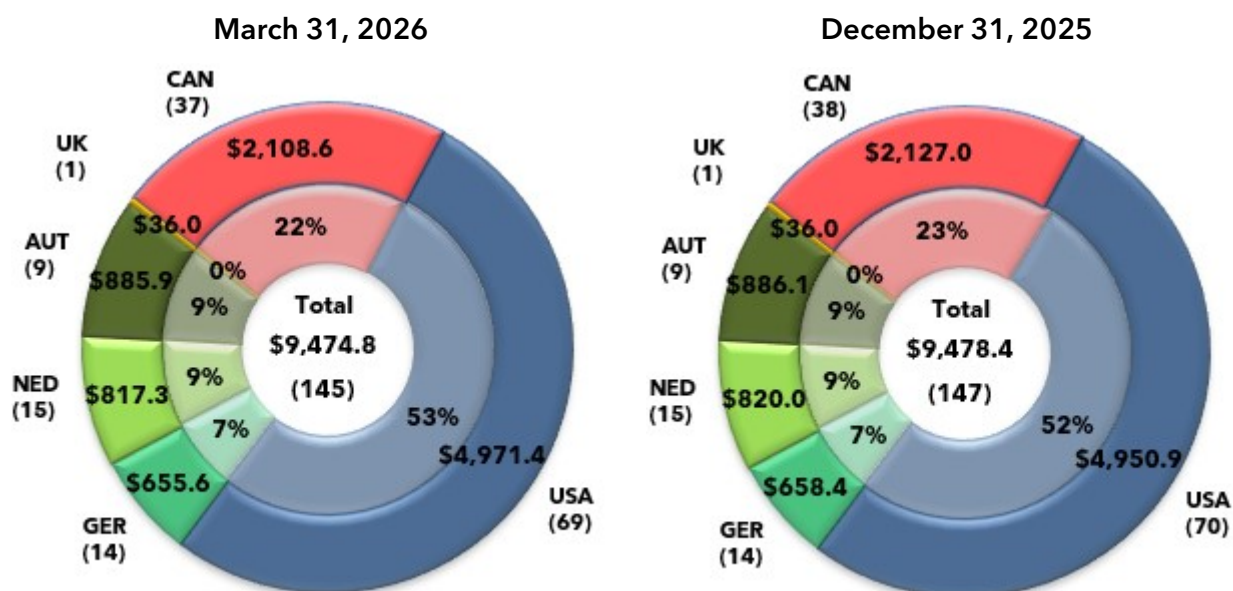
Assets Held for Sale⁽¹⁾

As at March 31, 2026 and December 31, 2025	2026	2025
<i>(in millions, except as noted)</i>		
Assets held for sale		
Fair value	\$57.7	\$81.0
Number of properties	2	2
GLA, square feet	0.5	0.7
Magna as a percentage of GLA	- %	- %
Annualized revenue	\$0.6	\$-

⁽¹⁾ Assets held for sale are excluded from investment properties and related property metrics. Accordingly, two such assets that were held for sale as at March 31, 2026 were excluded from investment properties and related property metrics as at March 31, 2026 throughout this MD&A. Two such assets that were held for sale as at December 31, 2025 were excluded from investment properties and related property metrics as at December 31, 2025.

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 March 31, 2026 and December 31, 2025 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 three months ended March 31, 2026 was as follows:

Change in Fair Value of Investment Properties by Geography

	January 1, 2026	Dispositions	Capital and leasing expenditures	Developments and expansion	Straight-line rent & other	Fair value gains (losses)	Foreign exchange	Classified as assets held for sale	March 31, 2026
Income-Producing Properties									
Canada	\$ 2,046.1	\$ -	\$ 0.3	\$ -	\$ 0.8	\$ (3.9)	\$ -	\$ (16.0)	\$ 2,027.3
USA	4,912.7	(104.5)	6.2	2.1	2.3	16.7	83.7	-	4,919.2
Austria	886.1	-	-	-	0.1	0.9	(1.2)	-	885.9
Germany	658.4	-	0.5	-	-	(2.4)	(0.9)	-	655.6
Netherlands	820.0	-	-	-	(0.1)	(1.5)	(1.1)	-	817.3
United Kingdom	36.0	-	-	-	-	-	-	-	36.0
	9,359.3	(104.5)	7.0	2.1	3.1	9.8	80.5	(16.0)	9,341.3
Development Properties									
USA	38.2	-	-	13.1	-	-	0.9	-	52.2
Canada	80.9	-	-	0.4	-	-	-	-	81.3
	119.1	-	-	13.5	-	-	0.9	-	133.5
Total	\$ 9,478.4	\$ (104.5)	\$ 7.0	\$ 15.6	\$ 3.1	\$ 9.8	\$ 81.4	\$ (16.0)	\$ 9,474.8

During the three months ended March 31, 2026, the fair value of investment properties decreased by \$3.6 million primarily due to:

- the disposition of an income-producing property in the United States for \$104.5 million (see “*SIGNIFICANT MATTERS - Property Dispositions*”); and
- the classification of an income-producing property in Canada valued at \$16.0 million as asset held for sale as at March 31, 2026. This property, together with another property previously classified as held for sale as at December 31, 2025, are classified as assets held for sale on the unaudited condensed consolidated balance sheet and excluded from the investment properties categorization (see “*SIGNIFICANT MATTERS - Assets Held for Sale*”), partially offset by;
- foreign exchange gains of \$81.4 million resulting from the relative weakening of the Canadian dollar against the US dollar, partially offset by the relative strengthening of the Canadian dollar against the Euro;
- development additions of \$15.6 million primarily relating to a property under development that continues to be in the construction phase in the United States (see “*SIGNIFICANT MATTERS - Construction and Development Commitments*”);
- net fair value gains of \$9.8 million primarily attributable to increases in fair market rents, partially offset by the expansion in discount and terminal capitalization rates, at select U.S. properties; and
- income-producing property additions of \$7.0 million relating to capital projects and leasing activity at properties primarily in the United States.

Fair values were primarily determined by using a 10-year cash flow and subsequent reversionary value discounted back to present value. The valuation metrics utilized to derive Granite’s investment property valuations are determined by management. Granite does not value its investment properties based on models prepared by external appraisers but uses such external appraisals as data points, alongside other external market information for management to arrive at its own conclusions on values. Granite receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of Granite’s portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. There has been no change in the valuation methodology used during the three months ended March 31, 2026. The key valuation metrics for Granite’s investment properties including the discount and terminal capitalization rates by jurisdiction are summarized in note 3 to the unaudited condensed consolidated financial statements for the three months ended March 31, 2026. In addition, valuation metrics for Granite’s income-producing properties by asset category and region as at March 31, 2026 and December 31, 2025 were as follows:

Valuation Metrics by Asset Category

	Distribution/ E-Commerce		Industrial/ Warehouse		Special purpose properties		Flex/ Office		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	As at March 31, 2026 and December 31, 2025									
Overall capitalization rate ⁽¹⁾⁽²⁾	5.33%	5.28%	5.50%	5.36%	7.39%	7.34%	6.05%	6.00%	5.64%	5.58%
Terminal capitalization rate ⁽¹⁾	6.18%	6.14%	5.97%	5.97%	6.66%	6.66%	7.22%	7.20%	6.24%	6.21%
Discount rate ⁽¹⁾	7.03%	7.02%	7.38%	7.37%	8.23%	8.22%	8.56%	8.54%	7.26%	7.25%

Valuation Metrics by Region

As at March 31, 2026	Canada	USA	Austria	Germany	Nether- lands	United Kingdom	Total
Income-producing property fair value	\$2,027.3	\$4,919.2	\$ 885.9	\$ 655.6	\$ 817.3	\$ 36.0	\$9,341.3
Overall capitalization rate ⁽¹⁾⁽²⁾	4.80%	5.42%	8.60%	6.13%	5.39%	8.44%	5.64%
As at December 31, 2025	Canada	USA	Austria	Germany	Nether- lands	United Kingdom	Total
Income-producing property fair value	\$2,046.1	\$4,912.7	\$ 886.1	\$ 658.4	\$ 820.0	\$ 36.0	\$9,359.3
Overall capitalization rate ⁽¹⁾⁽²⁾	4.73%	5.37%	8.54%	6.00%	5.33%	8.44%	5.58%

⁽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 March 31, 2026 is presented below:

Sensitivity Analysis of Fair Value of Income-Producing Properties

Rate sensitivity	Overall capitalization rate	Terminal capitalization rate	Discount rate
+50 bps	8,530.8	8,927.5	9,000.3
+25 bps	8,916.0	9,126.3	9,168.8
Base rate	\$9,341.3	\$9,341.3	\$9,341.3
-25 bps	9,814.3	9,574.7	9,518.0
-50 bps	10,345.4	9,828.8	9,698.8

Capital Expenditures and Leasing Costs

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

Included in total capital expenditure and leasing cost additions to income-producing properties are items which relate to the completion or lease up of recently acquired or developed properties. Such items are excluded from Granite's calculation of AFFO. A reconciliation of total capital and leasing cost additions to income-producing properties to those included in AFFO for the three months ended March 31, 2026 and 2025 is below:

Maintenance Capital Expenditures and Leasing Costs		
	Three Months Ended March 31,	
	2026	2025
Additions to income-producing properties:		
Leasing costs	\$ 0.9	\$ 0.7
Tenant improvements ⁽¹⁾	2.7	0.3
Maintenance capital expenditures	5.1	0.4
Other capital expenditures	0.4	–
	\$ 9.1	\$ 1.4
Less:		
Leasing costs and tenant improvements ⁽¹⁾ related to completed development activities	(1.8)	(0.7)
Capital expenditures related to expansions and completed developments	(0.4)	–
Capital expenditures and leasing costs included in AFFO	\$ 6.9	\$ 0.7

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

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

Capital Expenditures and Leasing Costs - Trailing Eight Quarters									
		Q1 '26	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24
Total capital expenditures incurred		\$5.5	\$13.0	\$9.1	\$6.6	\$0.4	\$5.1	\$10.0	\$15.4
Total leasing costs and tenant improvements incurred		3.6	7.7	4.4	4.2	1.0	8.6	1.6	5.6
Total additions to income-producing properties	[A]	\$9.1	\$20.7	\$13.5	\$10.8	\$1.4	\$13.7	\$11.6	\$21.0
Less: Capital expenditures, leasing costs and tenant improvements related to acquisitions, expansions and completed developments and other		(2.2)	(5.8)	(3.0)	(2.8)	(0.7)	(2.4)	(6.4)	(13.9)
Capital expenditures and leasing costs included in AFFO	[B]	\$6.9	\$14.9	\$10.5	\$8.0	\$0.7	\$11.3	\$5.2	\$7.1
GLA, square feet	[C]	61.5	62.6	60.9	60.6	63.3	63.3	63.3	63.3
\$ total incurred per square foot	[A]/[C]	\$0.15	\$0.33	\$0.22	\$0.18	\$0.02	\$0.22	\$0.18	\$0.33
\$ capital expenditures and leasing costs included in AFFO per square foot	[B]/[C]	\$0.11	\$0.24	\$0.17	\$0.13	\$0.01	\$0.18	\$0.08	\$0.11

Development and Expansion Projects

The attributes of Granite's development projects as at March 31, 2026 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 March 31, 2026	Expected total construction cost ⁽¹⁾	Cost of Land	Total Expected Cost	Year-One Stabilized Yield ⁽²⁾
As at March 31, 2026									
Development Projects									
12 Wright St., Brantford, ON ⁽³⁾	33.9	0.7	Q2 2023	TBD	5.0	5.9	26.1	32.0	N/A
Houston, TX (Future Phases) ⁽³⁾	68.7	0.7	Q3 2023	TBD	1.5	4.4	10.3	14.7	N/A
Houston, TX (Phase III Building 5)	30.8	0.4	Q1 2025	Q4 2026	31.6	62.6	6.8	69.4	7.5 %
	133.4	1.8			\$38.1	\$72.9	\$43.2	\$116.1	N/A

⁽¹⁾ Construction cost excludes cost of land.

⁽²⁾ Yield based on total cost including land.

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

During the first quarter of 2026:

- Granite continued the site plan approval process for a second phase of its site in Brantford, Ontario for up to 0.7 million square feet;
- Granite continued the site plan approval process and site infrastructure work for the future phases of its site in Houston, Texas for up to 0.7 million square feet; and
- Granite continued vertical construction at its 0.4 million square foot, 36' clear height, state-of-the-art modern distribution facility in Houston, Texas. The build-to-suit facility

being constructed for a global consumer food product company is expected to be completed in the fourth quarter of 2026.

Leasing Profile

Magna, Granite's Largest Tenant

As at March 31, 2026, Magna International Inc. or one of its operating subsidiaries was the tenant at 27 (December 31, 2025 - 27) of Granite's income-producing properties and comprised 27% (December 31, 2025 - 26%) of Granite's annualized revenue and 20% (December 31, 2025 - 19%) of Granite's GLA.

According to its public disclosures, Magna International Inc. has a credit rating of A3 with a negative outlook by Moody's Investor Service, Inc. ("Moody's"), A(low) with a stable trend confirmed by Morningstar DBRS and A- with a negative trend by S&P Global Ratings. Magna is one of the world's largest automotive suppliers 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 March 31, 2026, Granite had 127 other tenants from various industries that in aggregate comprised 73% of the Trust's annualized revenue. Each of these tenants accounted for less than 4% of the Trust's annualized revenue as at March 31, 2026.

Granite's top 10 tenants by annualized revenue as at March 31, 2026 are summarized in the table below:

Top 10 Tenants Summary

Tenant	Annualized Revenue %⁽⁴⁾	GLA %⁽⁴⁾	WALT (years)⁽³⁾	Credit Rating⁽¹⁾⁽²⁾
Magna	26.6 %	19.7 %	5.5	A-
Amazon	3.7 %	4.0 %	12.9	AA
Wayfair	2.8 %	1.3 %	4.5	B3
Mars Petcare US	2.5 %	3.6 %	4.3	NR
TV Hardware Distribution, LLC ..	1.9 %	2.3 %	14.9	NR
ADESA	1.7 %	0.3 %	3.3	B
Light Mobility Solutions GmbH	1.6 %	1.3 %	9.7	NR
Restoration Hardware	1.5 %	2.0 %	2.1	B3
Hanon Systems	1.5 %	0.7 %	4.9	AA-
Samsung Electronics America ..	1.4 %	1.2 %	0.5	AA-
Top 10 Tenants	45.2 %	36.4 %	6.4	

⁽¹⁾ Credit rating is quoted on the S&P Global Ratings rating scale or equivalent where publicly available. NR refers to Not Rated.

⁽²⁾ The credit rating indicated may, in some instances, apply to an affiliated company of Granite's tenant which may not be the guarantor of the lease.

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

⁽⁴⁾ Assets held for sale are excluded from investment properties and related property metrics. Accordingly, two such assets that were held for sale as at March 31, 2026 were excluded from investment properties and related metrics throughout this MD&A.

Lease Expiration

As at March 31, 2026, Granite's portfolio had a weighted average lease term by square footage of 5.3 years (December 31, 2025 - 5.5 years) with lease expiries by GLA (in thousands of square feet) and any lease renewals committed adjusted accordingly, lease count and annualized revenue as set out in the table below:

Lease Maturity Summary																		
Country	Total GLA	Total Lease Count	Total Annualized Revenue \$	Vacancies	2026		2027		2028		2029		2030		2031		2032 and Beyond	
				Sq Ft	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$	Sq Ft	Annualized Revenue \$
Canada	6,966	35	99.9	43	676	9.2	529	7.3	775	12.3	817	13.4	1,233	21.8	-	-	2,893	35.9
Canada-committed ⁽¹⁾	-	-	-	-	(214)	(2.1)	-	-	-	-	-	-	214	2.1	-	-	-	-
Canada - net	6,966	35	99.9	43	462	7.1	529	7.3	775	12.3	817	13.4	1,447	23.9	-	-	2,893	35.9
United States	37,052	93	257.5	1,380	3,326	28.1	3,161	20.9	8,269	51.3	4,839	41.0	3,369	24.1	1,232	8.8	11,476	83.3
United States-committed ⁽¹⁾	-	-	-	-	(2,216)	(16.3)	(286)	(2.3)	76	0.6	-	-	59	0.9	371	2.2	1,996	14.9
United States - net	37,052	93	257.5	1,380	1,110	11.8	2,875	18.6	8,345	51.9	4,839	41.0	3,428	25.0	1,603	11.0	13,472	98.2
United States - committed vacancy ⁽²⁾	-	-	-	(478)	-	-	-	-	-	-	253	-	-	-	225	-	-	-
United States - net with committed vacancy	-	-	-	902	1,110	11.8	2,875	18.6	8,345	51.9	5,092	41.0	3,428	25.0	1,828	11.0	13,472	98.2
Austria	7,458	9	78.1	-	389	3.5	802	12.3	806	10.3	379	4.9	-	-	-	-	5,082	47.1
Austria-committed ⁽¹⁾	-	-	-	-	(389)	(3.5)	-	-	-	-	-	-	-	-	389	3.5	-	-
Austria-net	7,458	9	78.1	-	-	-	802	12.3	806	10.3	379	4.9	-	-	389	3.5	5,082	47.1
Germany	4,666	14	40.6	121	1,020	7.0	290	2.4	335	2.9	612	4.7	909	7.6	(303)	(2.2)	1,682	18.2
Germany-committed ⁽¹⁾	-	-	-	-	(1,020)	(7.0)	-	-	-	-	717	4.8	-	-	303	2.2	-	-
Germany-net	4,666	14	40.6	121	-	-	290	2.4	335	2.9	1,329	9.5	909	7.6	-	-	1,682	18.2
Netherlands	5,207	15	47.5	-	355	2.1	1,125	9.4	302	3.6	500	3.8	1,705	17.5	-	-	1,219	11.1
Netherlands-committed ⁽¹⁾	-	-	-	-	-	-	(259)	(2.3)	-	-	-	-	-	-	259	2.3	-	-
Netherlands - net	5,207	15	47.5	-	355	2.1	866	7.1	302	3.6	500	3.8	1,705	17.5	259	2.3	1,219	11.1
United Kingdom	187	1	3.0	-	-	-	187	3.0	-	-	-	-	-	-	-	-	-	-
United Kingdom-committed ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United Kingdom - net	187	1	3.0	-	-	-	187	3.0	-	-	-	-	-	-	-	-	-	-
Total - Gross	61,536	167	526.6	1,544	5,766	49.9	6,094	55.3	10,487	80.4	7,147	67.8	7,216	71.0	929	6.6	22,352	195.6
Total-committed⁽¹⁾	-	-	-	-	(3,839)	(28.9)	(545)	(4.6)	76	0.6	717	4.8	273	3.0	1,322	10.2	1,996	14.9
Total-Net, March 31, 2026	61,536	167	526.6	1,544	1,927	21.0	5,549	50.7	10,563	81.0	7,864	72.6	7,489	74.0	2,251	16.8	24,348	210.5
Total-Committed vacancy ⁽²⁾	-	-	-	(478)	-	-	-	-	-	-	253	-	-	-	225	-	-	-
Total-Committed occupancy ⁽³⁾	-	-	-	1,066	1,927	21.0	5,549	50.7	10,563	81.0	8,117	72.6	7,489	74.0	2,476	16.8	24,348	210.5
% of portfolio as at March 31, 2026:																		
* by sq ft (in %)	100.0	-	-	2.5	3.1	-	9.0	-	17.2	-	12.8	-	12.2	-	3.7	-	39.5	-
* by Annualized Revenue (in %)	-	-	100.0	-	-	4.0	-	9.6	-	15.4	-	13.8	-	14.1	-	3.2	-	39.9
% of committed portfolio as at May 6, 2026 ⁽³⁾																		
* by sq ft (in %)	100.0	-	-	1.7	3.1	-	9.0	-	17.2	-	13.2	-	12.2	-	4.0	-	39.6	-

⁽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 ended March 31, 2026.

Occupancy Roll Forward for Q1 2026							
Three Months Ended March 31, 2026							
(in thousands, sq ft, except as noted)	Canada	USA	Austria	Germany	Netherlands	United Kingdom	Total
Total portfolio size, Jan 1, 2026	7,007	38,035	7,458	4,666	5,207	187	62,560
Vacancy, Jan 1, 2026	–	(1,151)	–	(121)	–	–	(1,272)
Occupancy, Jan 1, 2026 ..	7,007	36,884	7,458	4,545	5,207	187	61,288
Occupancy %, Jan 1, 2026	100.0 %	97.0 %	100.0 %	97.4 %	100.0 %	100.0 %	98.0%
Dispositions and assets held for sale	(41)	(983)	–	–	–	–	(1,024)
Expiries	(43)	(1,190)	(301)	–	–	–	(1,534)
Renewals	–	691	301	–	–	–	992
New Leases	–	270	–	–	–	–	270
Occupancy, March 31, 2026	6,923	35,672	7,458	4,545	5,207	187	59,992
Total portfolio size, March 31, 2026	6,966	37,052	7,458	4,666	5,207	187	61,536
Occupancy %, March 31, 2026	99.4%	96.3%	100.0%	97.4%	100.0%	100.0%	97.5%
Committed vacancy, May 6, 2026	–	478	–	–	–	–	478
Committed occupancy, May 6, 2026	6,923	36,150	7,458	4,545	5,207	187	60,470
Committed occupancy %, May 6, 2026	99.4%	97.6%	100.0%	97.4%	100.0%	100.0%	98.3%

New and Renewal Lease Spreads

The following table summarizes rental rate spreads achieved on new and renewal leasing during the three months ended March 31, 2026.

New and Renewal Lease Spreads		
Three Months Ended March 31, 2026		
	Sq Ft (in thousands)	Rental Rate Spread ⁽¹⁾
Canada	–	– %
United States	814	29 %
Austria	301	10 %
Germany	–	– %
Netherlands	–	– %
United Kingdom	–	– %
Total	1,115	23 %

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

The leasing activity in the United States for the three months ended March 31, 2026 relates to a new lease and four fair market rent lease renewals. The leasing activity in Austria for the three months ended March 31, 2026 relates to a lease renewal with a consumer price index based increase.

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⁾						
	March 31, 2026	December 31, 2025	March 31, 2025	WALT (years)⁽³⁾		
Canada	\$ 14.43	\$ 14.29	\$ 12.10			5.7
United States	\$ 5.32	\$ 5.28	\$ 5.05			5.2
Austria	€ 6.52	€ 6.49	€ 6.46			6.2
Germany	€ 5.56	€ 5.53	€ 5.44			5.2
Netherlands	€ 5.67	€ 5.66	€ 5.55			4.3
United Kingdom ..	£ 8.82	£ 8.82	–			1.7

⁽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 March 31, 2026.

As at March 31, 2026, the weighted average in-place rental rates increased in substantially all jurisdictions compared to December 31, 2025 and March 31, 2025, and were stable in the United Kingdom. The increases are generally driven by lease renewals, new leasing at Granite's completed developments, and fixed contractual and consumer price index rent escalations, reflecting 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 \$1,009.9 million as at March 31, 2026 compared to \$931.8 million at December 31, 2025, as summarized below:

Sources of Available Liquidity		
As at March 31, 2026 and December 31, 2025	2026	2025
Cash and cash equivalents	\$ 94.2	\$ 139.6
Unused portion of Credit Facility	915.7	792.2
Available liquidity⁽¹⁾	\$ 1,009.9	\$ 931.8
Additional sources of liquidity:		
Assets held for sale ⁽²⁾	\$ 57.7	\$ 81.0
Unencumbered assets ⁽²⁾	\$ 9,474.8	\$ 9,478.4

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

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

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

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

Cash Flow Components

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

Cash Flow Components Summary				
	Three Months Ended March 31,			
	2026	2025	\$ change	
Cash and cash equivalents, beginning of period	\$ 139.6	\$ 126.2	13.4	
Cash provided by operating activities	97.5	108.9	(11.4)	
Cash provided by (used in) investing activities	116.0	(5.8)	121.8	
Cash used in financing activities	(259.4)	(107.9)	(151.5)	
Effect of exchange rate changes on cash and cash equivalents	0.5	1.7	(1.2)	
Cash and cash equivalents, end of period	\$ 94.2	\$ 123.1	(28.9)	

Operating Activities

During the three month period ended March 31, 2026, operating activities generated cash of \$97.5 million compared to \$108.9 million in the prior year period. The decrease of \$11.4 million was due to various factors as noted in the "RESULTS OF OPERATIONS" section including, among others, the following:

- an increase of \$15.7 million of cash used in working capital changes primarily due to timing of payments and receipts;
- an increase of \$1.9 million in general and administrative expenses, excluding the impact of unit-based compensation;
- an increase of \$1.5 million in interest paid primarily due to larger draws on Granite's Credit Facility in the current year period, partially offset by lower interest paid due to the partial prepayment of the September 2026 Term Loan in October 2025, and the full repayment of the September 2026 Term Loan in February 2026; and
- a decrease of \$0.3 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, partially offset by;
- an increase in NOI - cash basis of \$8.2 million;
- a decrease of \$0.2 million of income taxes paid; and
- an increase of \$0.4 million of cash foreign exchange gains.

Investing Activities

Investing activities for the three month period ended March 31, 2026 generated cash of \$116.0 million and primarily related to the following:

- the disposition of two income-producing properties in the United States and Netherlands for \$141.1 million (see "SIGNIFICANT MATTERS - Dispositions"), partially offset by;
- additions to development properties paid of \$14.0 million, primarily attributable to an ongoing development project in the United States;
- additions to income-producing properties paid of \$9.1 million attributable to ongoing maintenance capital in the United States, Canada, and Europe;

- tenant allowances paid of \$0.9 million primarily related to tenant improvement activity for properties in the United States;
- the settlement of liabilities relating to previously completed acquisitions of \$0.8 million; and
- leasing costs paid of \$0.3 million primarily relating to leasing activity for properties in the United States.

Investing activities for the three month period ended March 31, 2025 used cash of \$5.8 million and primarily related to the following:

- additions to income-producing properties paid of \$0.5 million, primarily attributable to maintenance capital in the United States and Europe;
- additions to development properties paid of \$0.5 million, primarily attributable to Granite's development projects in Canada and the United States; and
- leasing costs paid of \$4.8 million primarily relating to leasing activity at properties in the United States.

Financing Activities

Cash used in financing activities for the three month period ended March 31, 2026 of \$259.4 million was primarily comprised of:

- \$123.6 million of net repayments on the Credit Facility;
- \$53.8 million of monthly distribution payments;
- \$81.4 million used for the repayment of the September 2026 Term Loan and the settlement of the related swap liability on the termination of the September 2026 Interest Rate Swap; and
- \$0.4 million of financing costs paid for the extension of Granite's Credit Facility.

Cash used in financing activities for the three month period ended March 31, 2025 of \$107.9 million was largely comprised of:

- \$53.1 million of monthly distribution payments;
- \$300.0 million used for the repayment of the December 2026 Term Loan;
- \$63.6 million used for the repurchase of units under the NCIB; and
- \$0.4 million of financing costs paid for the extension of Granite's Credit Facility, partially offset by;
- \$299.3 million of net proceeds received from the issuance of the 2026 Debentures; and
- \$10.0 million of net draws on the Credit Facility.

Debt Structure

Granite's debt structure and key debt metrics as at March 31, 2026 and December 31, 2025 were as follows:

Summary Debt Structure and Debt Metrics			
As at March 31, 2026 and December 31, 2025		2026	2025
Unsecured debt, net		\$ 3,073.4	\$ 3,276.6
Derivatives, net ⁽⁴⁾		109.0	110.8
Lease obligations		34.4	34.7
Total unsecured debt	[A]	\$ 3,216.8	\$ 3,422.1
Secured debt		–	–
Total debt ⁽¹⁾⁽⁴⁾	[B]	\$ 3,216.8	\$ 3,422.1
Less: cash and cash equivalents		94.2	139.6
Net debt ⁽¹⁾⁽⁴⁾	[C]	\$ 3,122.6	\$ 3,282.5
Investment properties	[D]	\$ 9,474.8	\$ 9,478.4
Unencumbered Assets ⁽⁵⁾	[E]	\$ 9,474.8	\$ 9,478.4
Trailing 12-month adjusted EBITDA ⁽¹⁾	[F]	\$ 474.1	\$ 466.7
Interest expense		\$ 97.9	\$ 96.9
Interest income		(2.8)	(3.1)
Trailing 12-month interest expense, net	[G]	\$ 95.1	\$ 93.8
Debt metrics			
Leverage ratio ⁽²⁾	[B]/[D]	34 %	36 %
Net leverage ratio ⁽²⁾	[C]/[D]	33 %	35 %
Interest coverage ratio ⁽²⁾	[F]/[G]	5.0x	5.0x
Unencumbered asset coverage ratio ⁽²⁾	[E]/[A]	2.9x	2.8x
Indebtedness ratio ⁽²⁾	[B]/[F]	6.8x	7.3x
Weighted average cost of debt ⁽³⁾		2.63 %	2.72 %
Weighted average debt term-to-maturity, in years ⁽³⁾		3.2	3.4
Ratings and trend			
Morningstar DBRS ⁽⁶⁾		BBB (high) positive	BBB (high) stable

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

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

⁽³⁾ Excludes lease obligations noted above.

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

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

⁽⁶⁾ On March 24, 2026, Morningstar DBRS confirmed Granite LP's Issuer Rating and credit ratings on its debentures as BBB (high) and changed the trends to Positive from Stable.

Unsecured Debt

2026 Debentures

On February 4, 2025, the Trust's wholly-owned subsidiary, Granite REIT Holdings Limited Partnership ("Granite LP"), issued \$300.0 million aggregate principal amount of Series 10 senior unsecured debentures bearing interest at Daily Compounded CORRA plus 0.77% per annum, payable quarterly in arrears, and maturing on December 11, 2026 (the "2026 Debentures"). As at March 31, 2026, all of the 2026 Debentures remained outstanding and the balance, net of deferred financing costs, was \$299.7 million.

2031 Debentures

On October 4, 2024, Granite LP issued \$550.0 million aggregate principal amount of 4.348% Series 9 senior unsecured debentures due October 4, 2031 (the "2031 Debentures"). Interest on the 2031 Debentures is payable semi-annually in arrears on April 4 and October 4 of each year. As at March 31, 2026, all of the 2031 Debentures remained outstanding and the balance, net of deferred financing costs, was \$547.7 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 March 31, 2026, all of the October 2029 Debentures remained outstanding and the balance, net of deferred financing costs, was \$249.1 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 March 31, 2026, all of the April 2029 Debentures remained outstanding and the balance, net of deferred financing costs, was \$398.5 million.

2028 Debentures

On August 30, 2021, Granite LP issued \$500.0 million aggregate principal amount of 2.194% Series 6 senior unsecured debentures due August 30, 2028 (the "2028 Debentures"). Interest on the 2028 Debentures is payable semi-annually in arrears on February 28 and August 30 of each year. As at March 31, 2026, all of the 2028 Debentures remained outstanding and the balance, net of deferred financing costs, was \$499.0 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 March 31, 2026, all of the 2030 Debentures remained outstanding and the balance, net of deferred financing costs, was \$498.5 million.

2027 Debentures

On June 4, 2020, Granite LP issued \$500.0 million aggregate principal amount of 3.062% Series 4 senior unsecured debentures due June 4, 2027 (the "2027 Debentures"). Interest on the 2027 Debentures is payable semi-annually in arrears on June 4 and December 4 of each year. As at March 31, 2026, all of the 2027 Debentures remained outstanding and the balance, net of deferred financing costs, was \$499.4 million.

September 2026 Term Loan

On February 13, 2026, Granite LP repaid in full, without penalty, the outstanding €50 million aggregate principal amount of the September 2026 Term Loan. In conjunction with the repayment, the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.4 million was settled.

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

Credit Facility

On January 22, 2026, the Trust amended its existing unsecured revolving Credit Facility to extend the maturity date from March 31, 2030 to January 22, 2031, with a limit of \$1.0 billion.

Draws on the Credit Facility are available by way of Canadian dollar, US dollar or Euro denominated loans or Canadian dollar or US dollar denominated letters of credit. The Credit Facility provides the Trust the ability to increase the amount of the commitment by an additional aggregate principal amount of up to \$450.0 million with the consent of the participating lenders. While the Credit Facility matures on January 22, 2031, the Trust has the option to extend the maturity date by one year to January 22, 2032, subject to the agreement of lenders in respect of a minimum of 50.1% of the aggregate amount committed under the Credit Facility. As at March 31, 2026, the Trust had \$81.5 million drawn, which is mainly comprised of US dollar denominated borrowings of \$80.5 million (US\$57.7 million), a Canadian dollar denominated draw of \$1.0 million and \$2.8 million in letters of credit issued against the Credit Facility.

Derivatives

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

The below table summarizes Granite's derivative arrangements outstanding as at March 31, 2026 and December 31, 2025:

As at									March 31, 2026	December 31, 2025
	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)		
Net Investment Hedges										
September 2026 Interest Rate Swap ⁽¹⁾	–	–	4.333 %	–	–	EURIBOR plus margin Sept. 8, 2026	–	(857)		
December 2026 Cross Currency Interest Rate Swap ⁽²⁾	205,500	EUR	1.355 %	300,000	CAD	CORRA plus margin Dec. 11, 2026	(23,890)	(23,097)		
2027 Cross Currency Interest Rate Swap	370,300	USD	2.964 %	500,000	CAD	3.062 % June 4, 2027	(8,049)	173		
2028 Cross Currency Interest Rate Swap	119,100	USD	2.096 %	150,000	CAD	2.194 % Aug. 30, 2028	(11,745)	(9,391)		
2028 Cross Currency Interest Rate Swap	242,100	EUR	0.536 %	350,000	CAD	2.194 % Aug. 30, 2028	(24,371)	(25,297)		
April 2029 Cross Currency Interest Rate Swap ⁽³⁾	277,700	EUR	4.958 %	400,000	CAD	6.103 % Apr. 12, 2029	(37,230)	(41,242)		
October 2029 Cross Currency Interest Rate Swap	167,400	EUR	3.494 %	250,000	CAD	3.999 % Oct. 4, 2029	(16,707)	(19,186)		
2030 Cross Currency Interest Rate Swap	319,400	EUR	1.045 %	500,000	CAD	2.378 % Dec. 18, 2030	12,635	8,053		
							\$ (109,357)	\$ (110,844)		
Cash Flow Hedge										
March 2026 Credit Facility USD Draw Cross Currency Interest Rate Swap ⁽⁴⁾	80,000	CAD	3.490 %	57,691	USD	SOFR plus margin Apr. 30, 2026	387	–		
							\$ 387	\$ –		
							\$ (108,970)	\$ (110,844)		

⁽¹⁾ On February 13, 2026, Granite LP repaid in full, without penalty, the outstanding €50.0 million aggregate principal amount of the September 2026 Term Loan. In conjunction with the repayment, the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.4 million was settled.

⁽²⁾ In combination with the 2026 Debentures, the all-in effective fixed interest rate is 0.27%.

⁽³⁾ In combination with the April 2029 Debentures, the all-in effective fixed interest rate is 4.929%.

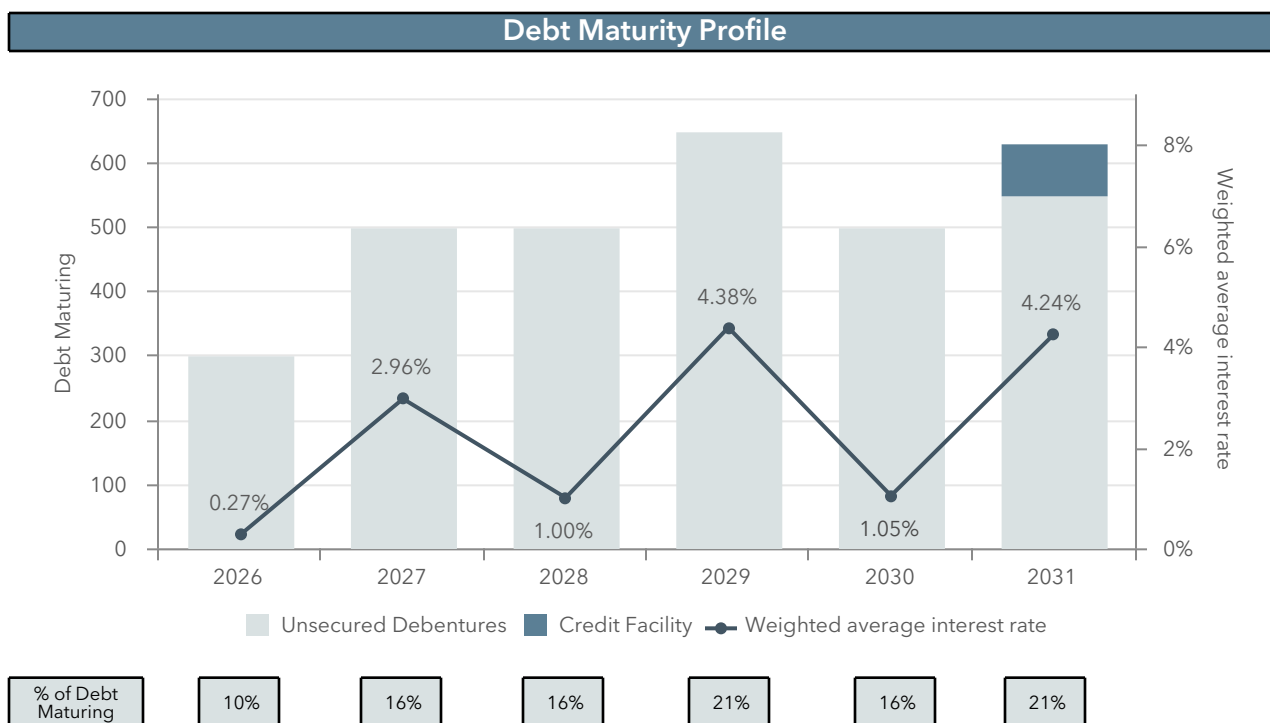
⁽⁴⁾ On March 31, 2026, Granite LP entered into a cross currency interest rate swap (the "March 2026 Credit Facility USD Draw Cross Currency Interest Rate Swap") to exchange the US dollar denominated principal and interest payments of the Credit Facility draw for Canadian dollar denominated principal and interest payments resulting in an all-in effective fixed interest rate of 3.490%.

The below table summarizes Granite's zero-cost foreign exchange collars outstanding as at March 31, 2026 and March 31, 2025:

Foreign Exchange Collars				
March 31, 2026				
USDCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (US\$)	Total Notional Amount (US\$)	Protection Rate	Participation Rate
July to December 2026	4.0	24.0	1.3500	1.4072
July to December 2026	4.0	24.0	1.3300	1.4023
January to June 2027	4.0	24.0	1.3500	1.4072
January to June 2027	4.0	24.0	1.3300	1.4023
Total		96.0	1.3400	1.4048
EURCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (€)	Total Notional Amount (€)	Protection Rate	Participation Rate
April to December 2026	1.0	9.0	1.6000	1.6675
April to June 2026	2.0	6.0	1.5100	1.5975
July to December 2026	2.0	12.0	1.5500	1.6200
January to June 2027	2.0	12.0	1.6000	1.6770
Total		39.0	1.5708	1.6450
March 31, 2025				
USDCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (US\$)	Total Notional Amount (US\$)	Protection Rate	Participation Rate
April to June 2025	7.0	21.0	1.3500	1.4300
July to December 2025	7.0	42.0	1.3600	1.4425
Total		63.0	1.3567	1.4383
EURCAD Foreign Exchange Collars				
Months Hedged	Monthly Amount (€)	Total Notional Amount (€)	Protection Rate	Participation Rate
April to June 2025	2.0	6.0	1.4400	1.5583
July to December 2025	2.0	12.0	1.4700	1.5700
January to June 2026	2.0	12.0	1.5100	1.5975
Total		30.0	1.4800	1.5787

Debt Maturity Profile

As at March 31, 2026, Granite's debt maturity profile and future repayments are outlined below:



Debt Metrics and Financial Covenants

Granite uses the debt metrics noted above to assess its borrowing capacity and the ability to meet its current and future financing obligations. As at March 31, 2026, Granite's leverage and indebtedness ratios improved compared to December 31, 2025, primarily due to lower unsecured debt from the full repayment of the September 2026 Term Loan and a lower outstanding balance on the Credit Facility. All ratios remain relatively favourable and provide financial flexibility for future growth.

Granite's unsecured debentures and Credit Facility agreements contain financial and non-financial covenants that include maintaining certain leverage and debt service ratios. As at March 31, 2026, Granite was in compliance with all of these covenants.

Credit Ratings

On March 24, 2026, Morningstar DBRS confirmed Granite LP's Issuer Rating and credit ratings on the 2026 Debentures, the 2027 Debentures, the 2028 Debentures, the April 2029 Debentures, the October 2029 Debentures, the 2030 Debentures, and the 2031 Debentures as BBB (high), and changed the trends to Positive from Stable.

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 May 6, 2026, the Trust had 60,709,517 units issued and outstanding.

As at May 6, 2026, the Trust had 127,695 restricted units (representing the right to receive 127,695 units) and 120,682 performance units (representing the right to receive a maximum of 241,364 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 May 6, 2026, the Trust had 172,252 deferred share units (representing the right to receive 172,252 units) outstanding under the Trust's Director/Trustee Deferred Share Unit Plan.

Distributions

Granite REIT's monthly distribution to unitholders is currently \$0.2958 per unit. For 2026, based on its current monthly rate, Granite expects to make total annual distributions of \$3.55 per unit.

Total distributions declared to unitholders in the three month periods ended March 31, 2026 and 2025 were \$53.8 million or \$0.8874 per unit and \$52.8 million or \$0.8499 per unit, respectively.

The distributions declared in April 2026 in the amount of \$17.9 million or \$0.2958 per unit will be paid on May 15, 2026.

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

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

	Three Months Ended March 31,	
	2026	2025
Net Income	\$ 91.3	\$ 43.9
Cash flows provided by operating activities	97.5	108.9
Monthly cash distributions paid and payable	(53.8)	(52.8)
Cash flows from operating activities in excess of distributions paid and payable	\$ 43.7	\$ 56.1

Monthly distributions for the three months ended March 31, 2026 and 2025 were funded with cash flows from operating activities.

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

current or potential future commitments to replace or maintain its investment properties to adversely affect cash distributions.

Normal Course Issuer Bid

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

During the three month period ended March 31, 2026, there were no unit repurchases under the NCIB. During the three month period ended March 31, 2025, Granite repurchased 930,969 units at an average unit cost of \$68.30 for total consideration of \$63.6 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 March 31, 2026, the Trust had \$2.8 million in letters of credit outstanding. As at March 31, 2026, the Trust's contractual commitments totaled \$38.9 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 6, 8 and 15 to the unaudited condensed consolidated financial statements for the three months ended March 31, 2026.

NON-GAAP PERFORMANCE MEASURES

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

Funds from operations

FFO is a non-GAAP performance measure that is widely used by the real estate industry in evaluating the operating performance of real estate entities. Granite calculates FFO as net income attributable to unitholders excluding fair value gains (losses) on investment properties and financial instruments, gains (losses) on sale of investment properties including the associated current income tax, foreign exchange gains (losses) on certain monetary items not forming part of a net investment in a foreign operation, fair value remeasurement on deferred units, deferred income taxes, corporate restructuring costs and certain other items, net of non-controlling interests in such items. The Trust's determination of FFO follows the definition prescribed by the Real Property Association of Canada ("REALPAC") guidelines on Funds From Operations & Adjusted Funds From Operations for IFRS Accounting Standards dated January 2022 ("REALPAC Guidelines") except for the exclusion of corporate restructuring costs. Granite considers FFO to be a meaningful supplemental measure that can be used to determine the Trust's ability to service debt, fund capital expenditures and provide distributions to unitholders. FFO is reconciled to net income, which is the most directly comparable GAAP measure (see "*RESULTS OF OPERATIONS - Funds From Operations and Adjusted Funds From Operations*" for the reconciliation of FFO to net income for the periods presented). FFO should not be construed as an alternative to net income or cash flow provided by operating activities determined in accordance with IFRS Accounting Standards.

Adjusted funds from operations

AFFO is a non-GAAP performance measure that is widely used by the real estate industry in evaluating the recurring economic earnings performance of real estate entities after considering certain capital costs associated with sustaining such earnings. Granite calculates AFFO as net income attributable to unitholders including all adjustments used to calculate FFO noted above, and further adjusts for actual maintenance capital expenditures that are required to sustain Granite's productive capacity, leasing costs such as leasing commissions and tenant allowances incurred and non-cash straight-line rent and tenant incentive amortization, net of non-controlling interests in such items. The Trust's determination of AFFO follows the definition prescribed by the REALPAC Guidelines, except for the exclusion of corporate restructuring costs as noted above. Granite considers AFFO to be a meaningful supplemental measure that can be used to determine the Trust's ability to service debt, fund expansion capital expenditures, fund property development and provide distributions to unitholders after considering capital costs associated with sustaining operating earnings. AFFO is also reconciled to net income, which is the most directly comparable GAAP measure (see "*RESULTS OF OPERATIONS - Funds From Operations and Adjusted Funds From Operations*" for the reconciliation of AFFO to net income for the periods presented). AFFO should not be construed as an alternative to net income or cash flow provided by operating activities determined in accordance with IFRS Accounting Standards.

Net operating income - cash basis

Granite uses NOI on a cash basis, which adjusts NOI to exclude lease termination and close-out fees, and the non-cash impact from straight-line rent and tenant incentive amortization recognized during the period (see *"RESULTS OF OPERATIONS - Net Operating Income"* for the reconciliation of NOI - cash basis to NOI for the periods presented). NOI - cash basis is a commonly used measure by the real estate industry and Granite believes it is a useful supplementary measure of the cash income generated by and operating performance of income-producing properties in addition to the most comparable GAAP measure, which Granite believes is NOI. NOI - cash basis is also a key input in Granite's determination of the fair value of its investment property portfolio.

Same property net operating income - cash basis

Same property NOI - cash basis refers to the NOI - cash basis for those properties owned by Granite throughout the entire current and prior year periods under comparison. Same property NOI - cash basis excludes properties that were acquired, disposed of, classified as development properties or assets held for sale during the periods under comparison (see *"RESULTS OF OPERATIONS - Net Operating Income"* for a reconciliation of same property NOI - cash basis to NOI - cash basis and to NOI for the periods presented). Granite believes that same property NOI - cash basis is a useful supplementary measure in understanding period-over-period organic changes in NOI - cash basis from the same stock of properties owned.

Constant currency same property NOI - cash basis

Constant currency same property NOI - cash basis is a non-GAAP performance measure used by management in evaluating the performance of same stock properties owned by Granite throughout the entire current and prior year periods on a constant currency basis. It is calculated by taking same property NOI as defined above and excluding the impact of foreign currency translation by converting the same property NOI denominated in foreign currency in the respective periods at the current period average exchange rates (see *"RESULTS OF OPERATIONS - Net Operating Income"* for a reconciliation of constant currency same property NOI - cash basis to same property NOI - cash basis for the periods presented).

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

Adjusted EBITDA is calculated as net income attributable to unitholders before lease termination and close-out fees, interest expense, interest income, income tax expense, depreciation and amortization expense, fair value gains (losses) on investment properties and financial instruments, fair value remeasurement on deferred units, other expense relating to real estate transfer tax and loss on the sale of investment properties, foreign exchange gains (losses) on certain monetary items not forming part of a net investment in a foreign operation, corporate restructuring costs and certain other items, net of non-controlling interests in such items. Adjusted EBITDA, calculated on a 12-month trailing basis (“trailing 12-month adjusted EBITDA”), represents an operating cash flow measure that Granite uses in calculating the interest coverage ratio and indebtedness ratio noted below. Adjusted EBITDA is also defined in Granite’s debt agreements and used in calculating the Trust’s debt covenants.

Adjusted EBITDA Reconciliation		
For the 12-months ended March 31, 2026 and December 31, 2025	2026	2025
Net income attributable to unitholders	\$ 389.7	\$ 342.3
Add (deduct):		
Interest expense and other financing costs	97.9	96.9
Interest income	(2.8)	(3.1)
Income tax expense	29.2	18.5
Depreciation and amortization	1.2	1.2
Lease termination and close-out fees	–	(0.8)
Fair value (gains) losses on investment properties, net	(49.9)	5.6
Fair value (gains) on financial instruments, net	(1.1)	(1.1)
Fair value remeasurement on deferred units ⁽¹⁾	6.3	5.4
Loss on sale of investment properties	3.7	2.0
Non-controlling interests relating to the above	(0.1)	(0.2)
Adjusted EBITDA	\$ 474.1	\$ 466.7

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

Available Liquidity

Available liquidity is a non-GAAP performance measure defined as the sum of cash and cash equivalents and the unused portion of the Credit Facility. Granite believes that available liquidity is a useful measure to investors in determining the Trust’s cash resources available as at period-end to meet its ongoing obligations and future commitments (see “LIQUIDITY AND CAPITAL RESOURCES - Liquidity”).

Total Debt and Net Debt

Total debt is a non-GAAP performance measure calculated as the sum of all current and non-current debt, the net mark to market fair value of derivatives and lease obligations. Net debt subtracts cash and cash equivalents from total debt. Granite believes that it is useful to include the derivatives and lease obligations for the purposes of monitoring the Trust’s debt levels (see “LIQUIDITY AND CAPITAL RESOURCES - Debt Structure”).

NON-GAAP RATIOS

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

FFO and AFFO payout ratios

The FFO and AFFO payout ratios are calculated as monthly distributions, which exclude special distributions, declared to unitholders divided by FFO and AFFO (non-GAAP performance measures), respectively, in a period. FFO payout ratio and AFFO payout ratio may exclude revenue or expenses incurred during a period that can be a source of variance between periods. The FFO payout ratio and AFFO payout ratio are supplemental measures widely used by investors in evaluating the sustainability of the Trust's monthly distributions to unitholders.

FFO and AFFO Payout Ratios

		Three Months Ended March 31,	
		2026	2025
<i>(in millions, except as noted)</i>			
Monthly distributions declared to unitholders	[A]	\$53.8	\$52.8
FFO	[B]	95.8	91.0
AFFO	[C]	85.9	88.4
FFO payout ratio	[A]/[B]	56%	58%
AFFO payout ratio	[A]/[C]	63%	60%

Interest coverage ratio

The interest coverage ratio is calculated on a 12-month trailing basis using Adjusted EBITDA (a non-GAAP performance measure) divided by net interest expense. Granite believes the interest coverage ratio is useful in evaluating the Trust's ability to meet its interest expense obligations (see "LIQUIDITY AND CAPITAL RESOURCES - Debt Structure").

Indebtedness ratio

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

Leverage and net leverage ratios

The leverage ratio is calculated as total debt (a non-GAAP performance measure) divided by the fair value of investment properties (excluding assets held for sale) while the net leverage ratio subtracts cash and cash equivalents from total debt. The leverage ratio and net leverage ratio are supplemental measures that Granite believes are useful in evaluating the Trust's

degree of financial leverage, borrowing capacity and the relative strength of its balance sheet (see “LIQUIDITY AND CAPITAL RESOURCES - Debt Structure”).

Unencumbered asset coverage ratio

The unencumbered asset coverage ratio is calculated as the fair value of investment properties (excluding assets held for sale) that are not encumbered by secured debt divided by the carrying value of total unsecured debt and is a supplemental measure that Granite believes is useful in evaluating the Trust’s degree of asset coverage provided by its unencumbered investment properties to total unsecured debt (see “LIQUIDITY AND CAPITAL RESOURCES - Debt Structure”).

SIGNIFICANT ACCOUNTING ESTIMATES

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

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

Judgments

Leases

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

Investment properties

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

Income taxes

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

Estimates and Assumptions

Valuation of investment properties

The fair value of investment properties was determined by management using primarily the discounted cash flow method in which the income and expenses are projected over the anticipated term of the investment plus a reversionary value discounted back to present value using an appropriate discount rate. The Trust obtains, from time to time, appraisals from independent qualified real estate valuation experts. Granite does not value its investment properties based on these appraisals but uses them as data points, alongside other external market information for management to arrive at its own conclusions on values. Granite receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of Granite's portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. The critical assumptions relating to the Trust's estimates of fair values of investment properties include the contractual rents, contractual renewal terms, expected future market rental rates, discount rates that reflect current market uncertainties, capitalization rates and recent investment property prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may change materially. There has been no change in the valuation methodology used during the three months ended March 31, 2026. Refer to the "INVESTMENT PROPERTIES" section and note 3 of the unaudited condensed consolidated financial statements for the three months ended March 31, 2026 for further information on the estimates and assumptions made by management in connection with the fair values of investment properties.

Fair value of financial instruments

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

Income taxes

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

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

NEW ACCOUNTING PRONOUNCEMENTS AND DEVELOPMENTS

Future Changes in Accounting Standards

IFRS 18, Presentation and Disclosure in Financial Statements

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

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the first quarter of 2026, there were no changes in the Trust's internal controls over financial reporting that had materially affected or are reasonably likely to materially affect the internal controls over financial reporting.

RISKS AND UNCERTAINTIES

Investing in the Trust's units involves a high degree of risk. There are a number of risk factors that could have a material adverse effect on Granite's business, financial condition, operating results and prospects. These risks and uncertainties are discussed in Granite's AIF filed with securities regulators in Canada and available online at www.sedarplus.ca in respect of the year ended December 31, 2025 and remain substantially unchanged in respect of the three months ended March 31, 2026.

QUARTERLY FINANCIAL DATA (UNAUDITED)

<i>(in millions, except as noted)</i>	Q1 '26	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24
Operating highlights⁽³⁾								
Revenue	\$ 165.8	\$ 161.8	\$ 153.0	\$ 149.3	\$ 154.7	\$ 148.0	\$ 141.9	\$ 140.3
NOI - cash basis ⁽¹⁾	131.2	130.9	124.7	121.1	123.0	118.6	116.2	113.7
Constant currency same property NOI - cash basis ⁽⁵⁾	8.3%	7.9%	5.2%	4.6%	4.7%	6.3%	6.2%	6.0%
Fair value gains (losses) on investment properties, net	7.3	60.5	(34.6)	16.8	(48.2)	(1.5)	42.6	(0.8)
Net income attributable to unitholders	91.2	135.4	68.0	95.0	43.9	83.7	111.6	76.2
Cash provided by operating activities	97.5	84.4	122.0	72.8	108.9	71.2	106.7	76.7
FFO ⁽¹⁾	95.8	96.6	89.9	85.4	91.0	92.7	85.2	83.5
AFFO ⁽¹⁾	85.9	79.3	77.0	75.1	88.4	78.8	76.6	73.8
FFO payout ratio ⁽²⁾	56%	54%	57%	61%	58%	56%	61%	62%
AFFO payout ratio ⁽²⁾	63%	66%	67%	69%	60%	66%	68%	70%
Per unit amounts								
Diluted FFO ⁽¹⁾	\$ 1.57	\$ 1.59	\$ 1.48	\$ 1.39	\$ 1.46	\$ 1.47	\$ 1.35	\$ 1.32
Diluted AFFO ⁽¹⁾	\$ 1.41	\$ 1.30	\$ 1.26	\$ 1.23	\$ 1.41	\$ 1.25	\$ 1.22	\$ 1.17
Monthly distributions paid	\$ 0.89	\$ 0.86	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.83	\$ 0.83	\$ 0.83
Diluted weighted average number of units	60.9	60.9	60.9	61.3	62.5	63.0	63.0	63.2
Financial highlights								
Investment properties ⁽⁴⁾	\$ 9,474.8	\$ 9,478.4	\$ 9,102.5	\$ 9,022.8	\$ 9,441.2	\$ 9,397.3	\$ 9,094.5	\$ 9,035.6
Assets held for sale	57.7	81.0	370.7	310.5	–	–	–	–
Cash and cash equivalents	94.2	139.6	127.9	86.4	123.1	126.2	133.5	101.3
Total debt ⁽¹⁾	3,216.8	3,422.1	3,335.5	3,302.5	3,162.1	3,087.8	3,080.5	3,036.1
Total capital expenditures incurred	5.5	13.0	9.1	6.6	0.4	5.1	10.0	15.4
Total leasing costs and tenant improvements incurred	3.6	7.7	4.4	4.2	1.0	8.6	1.6	5.6
Property metrics⁽⁴⁾								
Number of income-producing properties	139	141	134	135	138	138	138	138
GLA, square feet	61.5	62.6	60.9	60.6	63.3	63.3	63.3	63.3
Occupancy, by GLA	97.5%	98.0%	96.8%	95.8%	94.8%	94.9%	94.3%	94.5%
Weighted average lease term, years	5.3	5.5	5.5	5.5	5.6	5.7	5.9	5.9

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

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

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

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

(5) Constant currency same property NOI - cash basis is calculated by converting the comparative same property NOI - cash basis at current period average foreign exchange rates. Constant currency same property NOI - cash basis excludes properties that were acquired, disposed of, classified as development properties or assets held for sale during the periods under comparison. The amount shown is the percentage increase of the current year period over the prior year period.

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

<i>(in millions)</i>	Q1 '26	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24
Revenue	\$ 165.8	\$ 161.8	\$ 153.0	\$ 149.3	\$ 154.7	\$ 148.0	\$ 141.9	\$ 140.3
Less: Property operating costs	31.6	28.5	25.9	25.9	29.0	26.8	22.3	23.5
NOI	134.2	133.3	127.1	123.4	125.7	121.2	119.6	116.8
Add (deduct):								
Lease termination and close-out fees	–	–	–	–	(0.8)	–	–	(0.5)
Straight-line rent amortization	(3.0)	(2.4)	(2.4)	(2.3)	(1.9)	(2.6)	(3.4)	(2.6)
Tenant incentive amortization	–	–	–	–	–	–	–	–
NOI - cash basis	\$ 131.2	\$ 130.9	\$ 124.7	\$ 121.1	\$ 123.0	\$ 118.6	\$ 116.2	\$ 113.7

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

<i>(in millions)</i>	Q1 '26	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24
Net income attributable to unitholders	\$ 91.2	\$ 135.4	\$ 68.0	\$ 95.0	\$ 43.9	\$ 83.7	\$ 111.6	\$ 76.2
Add (deduct):								
Fair value (gains) losses on investment properties, net	(7.3)	(60.5)	34.6	(16.8)	48.2	1.5	(42.6)	0.8
Fair value (gains) losses on financial instruments	(0.1)	(1.1)	0.9	(0.7)	(0.1)	(12.6)	2.9	2.5
Foreign exchange losses on certain monetary items ⁽¹⁾	–	–	–	–	–	16.7	–	–
Loss on sale of investment properties	1.7	2.0	–	–	–	–	–	–
Deferred income tax expense (recovery)	9.9	18.3	(17.5)	8.0	(0.3)	3.7	9.3	5.4
Fair value remeasurement of the Executive Deferred Unit Plan	0.2	1.7	2.8	(0.4)	(0.3)	(0.7)	1.4	(1.2)
Fair value remeasurement of the Directors Deferred Unit Plan	0.1	0.7	1.1	0.2	(0.3)	(1.5)	1.8	(1.2)
Corporate restructuring costs ⁽²⁾	–	–	–	–	–	1.7	0.7	0.9
Non-controlling interests relating to the above	0.1	0.1	–	0.1	(0.1)	0.2	0.1	0.1
FFO	\$ 95.8	\$ 96.6	\$ 89.9	\$ 85.4	\$ 91.0	\$ 92.7	\$ 85.2	\$ 83.5
Add (deduct):								
Maintenance or improvement capital expenditures incurred	(5.1)	(11.9)	(8.9)	(3.8)	(0.4)	(4.3)	(3.7)	(5.8)
Leasing costs	(0.9)	(1.5)	(1.6)	(4.1)	(0.3)	(5.4)	(1.5)	(0.3)
Tenant allowances	(0.9)	(1.5)	–	(0.1)	–	(1.6)	–	(1.0)
Straight-line rent amortization	(3.0)	(2.4)	(2.4)	(2.3)	(1.9)	(2.6)	(3.4)	(2.6)
Non-controlling interests relating to the above	–	–	–	–	–	–	–	–
AFFO	\$ 85.9	\$ 79.3	\$ 77.0	\$ 75.1	\$ 88.4	\$ 78.8	\$ 76.6	\$ 73.8

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

⁽²⁾ Effective January 1, 2024, Granite amended its definition of Funds From Operations (FFO) to exclude corporate restructuring costs associated with the uncoupling of the Trust's stapled unit structure (refer to "NON-GAAP PERFORMANCE MEASURES"). Granite views these restructuring costs as non-recurring, as they are solely related to this specific transaction and do not reflect normal operating activities.

The following table reconciles total debt for the periods ended as indicated. Refer to the section “LIQUIDITY AND CAPITAL RESOURCES - Debt Structure”, for further details.

<i>(in millions)</i>	Q1 '26	Q4 '25	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24
Unsecured debt, net	\$ 3,073.4	\$3,276.6	\$3,166.5	\$3,176.9	\$3,092.1	\$3,078.5	\$3,088.9	\$3,095.6
Derivatives, net	109.0	110.8	134.2	90.8	35.3	(25.1)	(43.1)	(94.1)
Lease obligations	34.4	34.7	34.8	34.8	34.7	34.4	34.7	34.6
Total unsecured debt	3,216.8	3,422.1	3,335.5	3,302.5	3,162.1	3,087.8	3,080.5	3,036.1
Secured debt	-	-	-	-	-	-	-	-
Total debt	\$ 3,216.8	\$3,422.1	\$3,335.5	\$3,302.5	\$3,162.1	\$3,087.8	\$3,080.5	\$3,036.1

FORWARD-LOOKING INFORMATION

This MD&A may contain statements that, to the extent they are not recitations of historical fact, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information may include, among others, statements regarding Granite’s future plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, capital structure, cost of capital, tenant base, tax consequences, economic performance or expectations, or the assumptions underlying any of the foregoing. Words such as “outlook”, “may”, “would”, “could”, “should”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “strategy”, “project”, “estimate”, “seek” and similar expressions are used to identify forward-looking information. Forward-looking information should not be read as guarantees of future events, performance or results and will not necessarily be accurate indications of whether or the times at or by which such future performance will be achieved. Undue reliance should not be placed on such statements. There can also be no assurance that Granite’s expectations regarding various matters, including the following, will be realized in a timely manner, with the expected impact or at all: Granite’s ability to deliver cash flow stability and growth and create long-term value for unitholders; Granite’s ability to advance its ESG+R program and related targets and goals; the expansion, diversification and quality of Granite’s real estate portfolio, including acquisitions of properties in new markets and the reduction in Granite’s exposure to Magna and the special purpose properties; Magna’s potential renewal of leases; Granite’s ability to dispose of assets held for sale and the timing of such dispositions; Granite’s ability to accelerate growth and to grow its net asset value, FFO and AFFO per unit, and constant currency same property NOI - cash basis; Granite’s ability to execute on its strategic plan and its priorities in 2026; Granite’s 2026 outlook for FFO per unit, AFFO per unit and constant currency same property NOI, including the anticipated impact of future foreign currency exchange rates on FFO and AFFO per unit and expectations regarding Granite’s business strategy; fluctuations in foreign currency exchange rates and the effect on Granite’s revenues, expenses, cash flows, assets and liabilities; Granite’s ability to offset interest or realize interest savings relating to its debentures and cross currency interest rate swaps; Granite’s ability to find and integrate satisfactory acquisition, joint venture and development opportunities and to strategically deploy the proceeds from recently sold properties and financing initiatives; Granite’s intended use of available liquidity, its ability to obtain secured funding against its unencumbered assets and its expectations regarding the funding of its ongoing operations and future growth; any future offerings under Granite’s base shelf prospectuses; obtaining site planning approval of a 0.7 million square foot distribution facility on the 34.0 acre site in Brantford, Ontario; obtaining site plan approval for the future phases of its development for up to 0.7 million square feet on the 68.7 acre site in Houston, Texas and construction of the 0.4 million square foot distribution facility in Houston, Texas and the expected timing and potential yield from each project; the development of 12.9 acres of land in West Jefferson, Ohio and the potential yield from that project; the development of a 0.6 million square foot multi-phased business park on the remaining 36.0 acre parcel of land in Brantford, Ontario and the potential yield from that project; the development of a 0.2 million square foot modern distribution/logistics facility on the 10.1 acres of land in Brant County, Ontario; the expected timing of filing the Prospectus Supplement for and the Trust’s sale from time to time of units under an ATM Program; estimates regarding Granite’s development properties and expansion projects, including square footage of construction, total construction costs and total costs; Granite’s ability to meet its target occupancy goals; Granite’s ability to secure sustainability or other certifications for any of its properties; Granite’s ability to generate peak solar capacity on its properties; the amount of any distributions and distribution increase, including whether any expected increases can be achieved in a timely manner, with the expected impact or at all; the adoption of any accounting standards and the timing thereof; and the effect of any legal proceedings on Granite. Forward-looking information is based on

information available at the time and/or management's good faith assumptions and analyses made in light of Granite's perception of historical trends, current conditions and expected future developments, as well as other factors Granite believes are appropriate in the circumstances. Forward-looking information is subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond Granite's control, that could cause actual events or results to differ materially from such forward-looking information. Important factors that could cause such differences include, but are not limited to, the risk of changes to tax or other laws and treaties that may adversely affect Granite's mutual fund trust status under the *Income Tax Act* (Canada) or the effective tax rate in other jurisdictions in which Granite operates; the risk related to tariffs, global trade and supply chains that may adversely impact Granite's tenants' operations and in turn impact Granite's operations and financial performance; economic, market and competitive conditions and other risks that may adversely affect Granite's ability to expand and diversify its real estate portfolio; and the risks set forth under "Risks and Uncertainties" herein and in the "Risk Factors" section in Granite's AIF for 2025 dated February 25, 2026, filed on SEDAR+ at www.sedarplus.ca, all of which investors are strongly advised to review. The "Risk Factors" section also contains information about the material factors or assumptions underlying such forward-looking information. Forward-looking information speaks only as of the date the statements and information were made and unless otherwise required by applicable securities laws, Granite expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking information contained in this MD&A to reflect subsequent information, events or circumstances or otherwise.



Condensed Consolidated Financial Statements
of Granite Real Estate Investment Trust

For the three months ended March 31, 2026 and 2025

Condensed Consolidated Balance Sheets

(Canadian dollars in thousands)

(Unaudited)

As at	Note	March 31, 2026	December 31, 2025
ASSETS			
Non-current assets:			
Investment properties	3	\$ 9,474,797	\$ 9,478,449
Deferred tax assets		649	650
Fixed assets, net		3,133	3,384
Derivatives	6(c)	12,635	8,226
Other assets	5	2,539	2,360
		9,493,753	9,493,069
Current assets:			
Assets held for sale	4	57,672	81,026
Derivative	6(c)	387	–
Accounts receivable		11,960	8,775
Income taxes receivable		395	392
Prepaid expenses and other		13,521	11,351
Cash and cash equivalents	13(d)	94,215	139,591
Total assets		\$ 9,671,903	\$ 9,734,204
LIABILITIES AND EQUITY			
Non-current liabilities:			
Unsecured debt, net	6(a),6(b)	\$ 2,773,745	\$ 2,896,648
Derivatives	6(c)	98,102	95,116
Long-term portion of lease obligations	7	33,354	33,644
Deferred tax liabilities		617,411	601,192
		3,522,612	3,626,600
Current liabilities:			
Unsecured debt, net	6(b)	299,678	379,960
Derivative	6(c)	23,890	23,954
Deferred revenue	8	25,590	26,025
Accounts payable and accrued liabilities	8	134,295	130,612
Distributions payable	9	17,930	17,918
Short-term portion of lease obligations	7	1,093	1,079
Income taxes payable		10,871	9,904
Total liabilities		4,035,959	4,216,052
Equity:			
Unitholders' equity	10	5,625,828	5,509,006
Non-controlling interests		10,116	9,146
Total equity		5,635,944	5,518,152
Total liabilities and equity		\$ 9,671,903	\$ 9,734,204

Commitments and contingencies (note 15)
See accompanying notes

On behalf of the Board:

/s/ Kelly Marshall
Trustee

/s/ Emily Pang
Trustee

Condensed Consolidated Statements of Net Income

(Canadian dollars in thousands)

(Unaudited)

	Note	Three Months Ended March 31,	
		2026	2025
Rental revenue	11(a)	\$ 165,831	\$ 153,854
Lease termination and close-out fees		–	811
Revenue		165,831	154,665
Property operating costs	11(b)	31,562	29,018
Net operating income		134,269	125,647
General and administrative expenses	11(c)	11,696	8,461
Depreciation and amortization		283	314
Interest income		(663)	(1,010)
Interest expense and other financing costs	11(d)	24,553	23,587
Foreign exchange (gains) losses, net		(296)	59
Fair value (gains) losses on investment properties, net	3,4	(7,314)	48,227
Fair value gains on financial instruments, net	11(e)	(87)	(83)
Loss on sale of investment properties	4	1,739	–
Income before income taxes		104,358	46,092
Income tax expense	12	12,970	2,229
Net income		\$ 91,388	\$ 43,863
Net income attributable to:			
Unitholders		\$ 91,245	\$ 43,850
Non-controlling interests		143	13
		\$ 91,388	\$ 43,863

See accompanying notes

Condensed Consolidated Statements of Comprehensive Income

(Canadian dollars in thousands)

(Unaudited)

	Note	Three Months Ended March 31,	
		2026	2025
Net income		\$ 91,388	\$ 43,863
Other comprehensive income (loss):			
Foreign currency translation adjustment		76,462	75,274
Unrealized loss on hedging instruments	6(c)	(817)	(65,352)
Total other comprehensive income		75,645	9,922
Comprehensive income		\$ 167,033	\$ 53,785
Comprehensive income attributable to:			
Unitholders		\$ 166,750	\$ 53,785
Non-controlling interests		283	–
		\$ 167,033	\$ 53,785

See accompanying notes

Condensed Consolidated Statements of Unitholders' Equity

(Canadian dollars in thousands)

(Unaudited)

Three Months Ended March 31, 2026							
	Number of units (000s)	Value of units	Retained earnings	Accumulated other comprehensive income	Unitholders' equity	Non- controlling interests	Equity
As at January 1, 2026	60,601	\$ 3,146,633	\$ 1,921,205	\$ 441,168	\$ 5,509,006	\$ 9,146	\$ 5,518,152
Net income	–	–	91,245	–	91,245	143	91,388
Other comprehensive income	–	–	–	75,505	75,505	140	75,645
Distributions (note 9)	–	–	(53,790)	–	(53,790)	–	(53,790)
Contributions from non-controlling interests	–	–	–	–	–	687	687
Units issued under the unit plan (note 10(a))	44	3,862	–	–	3,862	–	3,862
As at March 31, 2026	60,645	\$ 3,150,495	\$ 1,958,660	\$ 516,673	\$ 5,625,828	\$ 10,116	\$ 5,635,944

Three Months Ended March 31, 2025							
	Number of units (000s)	Value of units	Retained earnings	Accumulated other comprehensive income	Unitholders' equity	Non- controlling interests	Equity
As at January 1, 2025	62,725	\$ 3,291,745	\$ 1,787,159	\$ 649,332	\$ 5,728,236	\$ 8,393	\$ 5,736,629
Net income	–	–	43,850	–	43,850	13	43,863
Other comprehensive income (loss)	–	–	–	9,935	9,935	(13)	9,922
Distributions (note 9)	–	–	(52,793)	–	(52,793)	–	(52,793)
Contributions from non-controlling interests	–	–	–	–	–	409	409
Units issued under the unit plan (note 10(a))	24	1,607	–	–	1,607	–	1,607
Units repurchased for cancellation (note 10(b))	(931)	(64,868)	–	–	(64,868)	–	(64,868)
As at March 31, 2025	61,818	\$ 3,228,484	\$ 1,778,216	\$ 659,267	\$ 5,665,967	\$ 8,802	\$ 5,674,769

See accompanying notes

Condensed Consolidated Statements of Cash Flows

(Canadian dollars in thousands)

(Unaudited)

	Note	Three Months Ended March 31,	
		2026	2025
OPERATING ACTIVITIES			
Net income		\$ 91,388	\$ 43,863
Items not involving operating cash flows	13(a)	5,124	48,642
Current income tax expense	12(a)	3,060	2,513
Income taxes paid		(2,094)	(2,341)
Interest expense		23,703	22,603
Interest paid		(7,090)	(5,568)
Changes in working capital balances	13(b)	(16,527)	(796)
Cash provided by operating activities		97,564	108,916
INVESTING ACTIVITIES			
Investment properties:			
Acquisitions and transactions costs, net		(793)	–
Proceeds from disposals, net	4	141,085	–
Leasing costs paid		(306)	(4,752)
Tenant allowances paid		(910)	(49)
Additions to income-producing properties		(9,075)	(458)
Additions to development properties		(14,034)	(535)
Fixed asset disposals, net		5	42
Cash provided by (used in) investing activities		115,972	(5,752)
FINANCING ACTIVITIES			
Monthly distributions paid		(53,777)	(53,050)
Proceeds from unsecured debentures, net of financing costs ..		–	299,333
Repayment of unsecured term loan	6(b)	(80,830)	(300,000)
Settlement of a derivative	6(c)	(613)	–
Proceeds from unsecured credit facility draws		560,500	29,000
Repayments of unsecured credit facility draws		(684,072)	(19,000)
Repurchase of units	10(b)	–	(63,596)
Payment of lease obligations		(265)	(233)
Financing costs paid		(350)	(401)
Cash used in financing activities		(259,407)	(107,947)
Effect of exchange rate changes on cash and cash equivalents		495	1,665
Net decrease in cash and cash equivalents during the period		(45,376)	(3,118)
Cash and cash equivalents, beginning of the period		139,591	126,175
Cash and cash equivalents, end of the period		\$ 94,215	\$ 123,057

See accompanying notes

Notes to Condensed Consolidated Financial Statements

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

1. NATURE AND DESCRIPTION OF THE TRUST

Effective January 3, 2013, Granite Real Estate Inc. ("Granite Co.") completed its conversion from a corporate structure to a stapled unit real estate investment trust ("REIT") structure. All of the common shares of Granite Co. were exchanged, on a one-for-one basis, for stapled units, 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 October 1, 2024, Granite REIT and Granite GP completed an arrangement to simplify its capital structure by replacing its stapled unit structure with a conventional REIT unit structure (the "Arrangement"). 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. As a result of and immediately following the Arrangement, each unitholder of Granite REIT now holds a number of Granite REIT units equal to the number of stapled units held prior to the completion of the Arrangement, and Granite GP became a wholly-owned subsidiary of Granite REIT. The stapled units were delisted from the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE"), and the units traded on the TSX and the NYSE under the same ticker symbols "GRT.UN" and "GRP.U", respectively. Granite REIT and its subsidiaries (together "Granite" or the "Trust") are carrying on the business previously conducted by Granite REIT and Granite GP.

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Presentation and Statement of Compliance

The condensed consolidated financial statements for the three month period ended March 31, 2026 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, which were prepared in accordance with IFRS[®] Accounting Standards as issued by the IASB ("IFRS Accounting Standards" or "GAAP"), and should be read in conjunction with the Trust's annual financial statements as at and for the year ended December 31, 2025.

These condensed consolidated financial statements were approved by the Board of Trustees of Granite REIT on May 6, 2026.

(b) Consolidated Financial Statements and Basis of Consolidation

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

All intercompany balances, income and expenses and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

(c) Accounting Policies

The condensed consolidated financial statements have been prepared using the same accounting policies as were used for the Trust's annual consolidated combined financial statements and the notes thereto for the year ended December 31, 2025.

(d) Future Accounting Policy Changes

IFRS 18, Presentation and Disclosure in Financial Statements

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

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

3. INVESTMENT PROPERTIES

As at	March 31, 2026	December 31, 2025
Income-producing properties	\$ 9,341,319	\$ 9,359,291
Development properties ⁽¹⁾	133,478	119,158
	\$ 9,474,797	\$ 9,478,449

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

Changes in investment properties are shown in the following table:

	Three Months Ended March 31, 2026		Year Ended December 31, 2025	
	Income- producing properties	Development properties ⁽¹⁾	Income- producing properties	Development properties ⁽¹⁾
Balance, beginning of period	\$ 9,359,291	\$ 119,158	\$ 9,297,137	\$ 100,149
Maintenance or improvements	5,096	–	25,011	–
Leasing costs	936	–	15,321	4,231
Tenant allowances	966	–	1,907	–
Developments or expansions	2,124	13,428	4,228	16,132
Acquisitions	–	–	345,449	–
Disposals (note 4)	(104,531)	–	(189,503)	–
Amortization of straight-line rent	3,012	–	9,044	–
Other changes	98	–	134	–
Fair value gains (losses), net	9,804	–	(5,638)	–
Foreign currency translation, net	80,523	892	(62,773)	(1,354)
Classified as assets held for sale (note 4) ..	(16,000)	–	(81,026)	–
Balance, end of period	\$ 9,341,319	\$ 133,478	\$ 9,359,291	\$ 119,158

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

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

Included in investment properties as at March 31, 2026 is \$88.3 million (December 31, 2025 – \$86.3 million) of net straight-line rent receivables arising from the recognition of rental revenue on a straight-line basis over the lease term.

Details about contractual obligations to purchase, construct and develop properties can be found in the commitments and contingencies note (note 15).

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	March 31, 2026 ⁽¹⁾			December 31, 2025 ⁽¹⁾		
	Weighted average ⁽²⁾	Maximum	Minimum	Weighted average ⁽²⁾	Maximum	Minimum
Canada						
Discount rate	6.74 %	7.50 %	6.25 %	6.74 %	7.50 %	6.25 %
Terminal capitalization rate ..	5.47 %	6.75 %	4.75 %	5.46 %	6.50 %	4.75 %
United States						
Discount rate	7.20 %	10.75 %	6.50 %	7.19 %	10.75 %	6.40 %
Terminal capitalization rate ..	6.21 %	9.25 %	5.65 %	6.16 %	9.25 %	5.25 %
Germany						
Discount rate	7.34 %	10.20 %	5.90 %	7.34 %	10.10 %	5.90 %
Terminal capitalization rate ..	6.28 %	9.30 %	5.10 %	6.27 %	9.20 %	5.10 %
Austria						
Discount rate	9.03 %	10.25 %	8.50 %	9.03 %	10.25 %	8.50 %
Terminal capitalization rate ..	7.40 %	8.25 %	6.75 %	7.40 %	8.25 %	6.75 %
Netherlands						
Discount rate	6.78 %	7.80 %	5.85 %	6.76 %	7.80 %	5.60 %
Terminal capitalization rate ..	6.97 %	10.15 %	6.10 %	6.96 %	10.15 %	5.95 %
United Kingdom						
Discount rate	9.00 %	9.00 %	9.00 %	9.00 %	9.00 %	9.00 %
Terminal capitalization rate ..	7.75 %	7.75 %	7.75 %	7.75 %	7.75 %	7.75 %
Total						
Discount rate	7.26 %	10.75 %	5.85 %	7.25 %	10.75 %	5.60 %
Terminal capitalization rate ..	6.24 %	10.15 %	4.75 %	6.21 %	10.15 %	4.75 %

⁽¹⁾ Excludes assets held for sale.

⁽²⁾ Weighted based on income-producing property fair value.

4. DISPOSITIONS AND ASSETS HELD FOR SALE

Dispositions

During the three month period ended March 31, 2026, Granite disposed of two income-producing properties located in the Netherlands and United States. The details of the disposed properties are as follows:

Property	Location	Date disposed	Sale price
Sophialaan 5	Utrecht, Netherlands	January 30, 2026	\$ 37,640
8500 Tatum Rd.	Palmetto, GA	March 11, 2026	104,531
			\$ 142,171

During the three month period ended March 31, 2025, there were no property dispositions.

During the three month period ended March 31, 2026, Granite incurred \$1.7 million of costs associated with the disposals, primarily consisting of broker commissions and legal and advisory costs, which were included in loss on sale of investment properties on the condensed consolidated statement of net income.

Assets Held for Sale

At March 31, 2026, two income-producing properties located in Canada and the United States having a total fair value of \$57.7 million are classified as assets held for sale, and are expected to be disposed within 12 months. At December 31, 2025, two income-producing properties located in the United States and Netherlands having a total fair value of \$81.0 million were classified as assets held for sale.

The following table summarizes the fair value changes in properties classified as assets held for sale:

	Three Months Ended March 31, 2026	Year Ended December 31, 2025
Balance, beginning of period	\$ 81,026	\$ —
Fair value losses, net	(2,490)	—
Foreign currency translation, net	776	—
Disposals	(37,640)	—
Classified as assets held for sale	16,000	81,026
Balance, end of period	\$ 57,672	\$ 81,026

5. OTHER ASSETS

As at	March 31, 2026	December 31, 2025
Deferred financing costs associated with the revolving credit facility	\$ 2,370	\$ 2,151
Long-term receivables	169	209
	\$ 2,539	\$ 2,360

6. UNSECURED DEBT AND RELATED DERIVATIVES

As at	March 31, 2026	December 31, 2025
Unsecured Debt, Net		
Unsecured debentures and term loan, net	\$ 2,991,915	\$ 3,071,608
Unsecured revolving credit facility	81,508	205,000
	\$ 3,073,423	\$ 3,276,608

(a) Unsecured Revolving Credit Facility

On January 22, 2026, the Trust amended its existing unsecured revolving credit facility (the "Credit Facility") to extend the maturity date from March 31, 2030 to January 22, 2031, with a limit of \$1.0 billion. Draws on the Credit Facility are available by way of Canadian dollar, US dollar or Euro denominated loans or Canadian dollar or US dollar denominated letters of credit. The Credit Facility provides the Trust the ability to increase the amount of the commitment by an additional aggregate principal amount of up to \$450.0 million with the consent of the participating lenders. While the Credit Facility matures on January 22, 2031, the Trust has the option to extend the maturity date by one year to January 22, 2032, subject to the agreement of lenders in respect of a minimum of 50.1% of the aggregate amount committed under the Credit Facility. As at March 31, 2026, the Trust had an outstanding balance of \$81.5 million (December 31, 2025 – \$205.0 million) on the Credit Facility, consisting of a US dollar denominated draw of \$80.5 million (US\$57.7 million) (December 31, 2025 - nil), a Canadian dollar denominated draw of \$1.0 million (December 31, 2025 - \$205.0 million), and \$2.8 million (December 31, 2025 – \$2.8 million) in letters of credit issued against the Credit Facility.

(b) Unsecured Debentures and Term Loan, Net

As at		March 31, 2026		December 31, 2025	
	Maturity Date	Amortized Cost ⁽¹⁾	Principal issued and outstanding	Amortized Cost ⁽¹⁾	Principal issued and outstanding
2026 Debentures	December 11, 2026	\$ 299,678	\$ 300,000	\$ 299,556	\$ 300,000
2027 Debentures	June 4, 2027	499,445	500,000	499,329	500,000
2028 Debentures	August 30, 2028	499,022	500,000	498,922	500,000
April 2029 Debentures	April 12, 2029	398,510	400,000	398,399	400,000
October 2029 Debentures	October 4, 2029	249,080	250,000	249,009	250,000
2030 Debentures	December 18, 2030	498,528	500,000	498,451	500,000
2031 Debentures	October 4, 2031	547,652	550,000	547,538	550,000
September 2026 Term Loan	September 8, 2026	–	–	80,404	80,448
		\$ 2,991,915	\$ 3,000,000	\$ 3,071,608	\$ 3,080,448

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

As at		March 31, 2026	December 31, 2025
Unsecured Debentures and Term Loan, Net			
Non-current	\$	2,692,237	\$ 2,691,648
Current		299,678	379,960
	\$	2,991,915	\$ 3,071,608

September 2026 Term Loan

On February 13, 2026, Granite REIT Holdings Limited Partnership ("Granite LP") repaid in full, without penalty, the outstanding €50 million aggregate principal amount of the September 2026 Term Loan. In conjunction with the repayment, the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.4 million was settled.

(c) Derivatives

As at						March 31, 2026	December 31, 2025
	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)
Net Investment Hedges:							
September 2026 Interest Rate Swap ⁽¹⁾	–	–	4.333 %	–	–	EURIBOR plus margin Sept. 8, 2026	\$ – \$ (857)
December 2026 Cross Currency Interest Rate Swap ⁽²⁾	205,500	EUR	1.355 %	300,000	CAD	CORRA plus margin Dec. 11, 2026	(23,890) (23,097)
2027 Cross Currency Interest Rate Swap	370,300	USD	2.964 %	500,000	CAD	3.062 % June 4, 2027	(8,049) 173
2028 Cross Currency Interest Rate Swap	119,100	USD	2.096 %	150,000	CAD	2.194 % Aug. 30, 2028	(11,745) (9,391)
2028 Cross Currency Interest Rate Swap	242,100	EUR	0.536 %	350,000	CAD	2.194 % Aug. 30, 2028	(24,371) (25,297)
April 2029 Cross Currency Interest Rate Swap ⁽³⁾	277,700	EUR	4.958 %	400,000	CAD	6.103 % Apr. 12, 2029	(37,230) (41,242)
October 2029 Cross Currency Interest Rate Swap	167,400	EUR	3.494 %	250,000	CAD	3.999 % Oct. 4, 2029	(16,707) (19,186)
2030 Cross Currency Interest Rate Swap	319,400	EUR	1.045 %	500,000	CAD	2.378 % Dec. 18, 2030	12,635 8,053
						\$ (109,357)	\$ (110,844)
Cash Flow Hedge:							
March 2026 Credit Facility USD Draw Cross Currency Interest Rate Swap ⁽⁴⁾	80,000	CAD	3.490 %	57,691	USD	SOFR plus margin Apr. 30, 2026	387 –
						\$ 387	\$ –
						\$ (108,970)	\$ (110,844)

- (1) On February 13, 2026, Granite LP repaid in full, without penalty, the outstanding €50.0 million aggregate principal amount of the September 2026 Term Loan. In conjunction with the repayment, the September 2026 Interest Rate Swap was terminated and the related mark to market liability of €0.4 million was settled (note 6(b)).
- (2) In combination with the 2026 Debentures, the all-in effective fixed interest rate is 0.27% (note 6(b)).
- (3) In combination with the April 2029 Debentures, the all-in effective fixed interest rate is 4.929% (note 6(b)).
- (4) On March 31, 2026, Granite LP entered into a cross currency interest rate swap (the "March 2026 Credit Facility USD Draw Cross Currency Interest Rate Swap") to exchange the US dollar denominated principal and interest payments of the Credit Facility draw for Canadian dollar denominated principal and interest payments resulting in an all-in effective fixed interest rate of 3.490%.

As at		March 31, 2026	December 31, 2025
Derivative assets at fair value			
Non-current	\$	12,635	\$ 8,226
Current		387	–
	\$	13,022	\$ 8,226
Derivative liabilities at fair value			
Non-current	\$	98,102	\$ 95,116
Current		23,890	23,954
	\$	121,992	\$ 119,070

For the three month period ended March 31, 2026, the cross currency interest rate swaps and the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap are designated as hedges. The effectiveness of the hedges is assessed quarterly. Gains and losses associated with the effective portion of the hedges are recognized in other comprehensive income (loss). For the three month period ended March 31, 2026, the Trust has assessed the hedges to be effective, except for a portion of the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap.

For the three month period ended March 31, 2026, a net fair value gain of less than \$0.1 million has been recognized in fair value gains on financial instruments, net (note 11(e)) in the condensed consolidated statement of net income, due to the ineffectiveness relating to the interest rate portion of the hedging relationship described above.

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

7. LEASE OBLIGATIONS

As at March 31, 2026, the Trust had leases for the use of office space, office and other equipment, and ground leases for the land upon which four income-producing properties in Europe and Canada are situated. The Trust recognized these leases as right-of-use assets and recorded related lease liability obligations.

The present value of future minimum lease payments relating to the right-of-use assets as at March 31, 2026 in aggregate for the next five years and thereafter are as follows:

Remainder of 2026	\$ 850
2027	807
2028	590
2029	490
2030	548
2031 and thereafter	31,162
	\$ 34,447

During the three month period ended March 31, 2026, the Trust recognized \$0.4 million (2025 – \$0.4 million) of interest expense related to lease obligations (note 11(d)).

8. 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	March 31, 2026	December 31, 2025
Accounts payable	\$ 5,673	\$ 17,659
Commodity tax payable	9,841	7,260
Tenant security deposits	10,129	9,731
Employee unit-based compensation	9,803	14,349
Trustee/director unit-based compensation	12,632	12,022
Accrued salaries, incentives and benefits	3,312	7,292
Accrued interest payable	38,300	19,957
Accrued construction costs	11,541	14,630
Accrued professional fees	1,693	1,977
Acquisition related liabilities	412	1,200
Accrued property operating costs	23,671	14,235
Other tenant related liabilities	4,595	5,452
Accrued foreign exchange collar liabilities	214	295
Stock buyback tax payable	–	2,845
Other accrued liabilities	2,479	1,708
	\$ 134,295	\$ 130,612

9. DISTRIBUTIONS TO UNITHOLDERS

Total distributions declared to unitholders in the three month period ended March 31, 2026 were \$53.8 million (2025 – \$52.8 million) or \$0.8874 per unit (2025 – \$0.8499 per unit).

Distributions payable at March 31, 2026 of \$17.9 million (\$0.2958 per unit), representing the March 2026 monthly distributions, were paid on April 15, 2026. Distributions payable at

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

Subsequent to March 31, 2026, the distributions declared in April 2026 in the amount of \$17.9 million or \$0.2958 per unit will be paid on May 15, 2026 (note 16).

10. UNITHOLDERS' EQUITY

(a) Unit-Based Compensation

Director/Trustee Deferred Share Unit Plan

The Trust has a Non-Employee Director Share-Based Compensation Plan (the "DSP") which provides for a deferral of up to 100% of each non-employee director's total annual remuneration, at specified levels elected by each director. A reconciliation of the changes in the notional deferred share units ("DSUs") outstanding is presented below:

	2026		2025	
	Number (000s)	Weighted Average Grant Date Fair Value	Number (000s)	Weighted Average Grant Date Fair Value
DSUs outstanding, January 1	148	\$ 69.28	142	\$ 66.78
New grants and distributions	7	83.03	7	69.24
Settled	–	–	(24)	55.44
DSUs outstanding, March 31	155	\$ 69.87	125	\$ 69.12

Executive Deferred Unit Plan

The Executive Deferred Unit Plan (the "Restricted Unit Plan") of the Trust provides for the issuance of Restricted Units ("RUs") and Performance Units ("PUs") and is designed to provide equity-based compensation in the form of units to executives and other employees (the "Participants"). A reconciliation of the changes in notional units outstanding under the Restricted Unit Plan is presented below:

	2026		2025	
	Number (000s)	Weighted Average Grant Date Fair Value	Number (000s)	Weighted Average Grant Date Fair Value
RUs and PUs outstanding, January 1	219	\$ 71.56	161	\$ 79.05
New grants and distributions ⁽¹⁾	104	82.46	118	69.08
Forfeited	–	–	(1)	104.91
PUs added by performance factor	16	86.67	–	–
Settled in cash	(47)	70.15	(24)	89.78
Settled in units	(44)	70.15	(24)	89.78
RUs and PUs outstanding, March 31⁽²⁾	248	\$ 77.59	230	\$ 71.63

⁽¹⁾ Includes 61.1 RUs and 39.7 PUs granted during the three month period ended March 31, 2026 (2025 – 72.4 RUs and 42.9 PUs).

⁽²⁾ Total units outstanding at March 31, 2026 include a total of 127.3 RUs and 120.3 PUs granted (2025 – 116.2 RUs and 113.7 PUs).

The fair value of the outstanding RUs was \$5.6 million at March 31, 2026 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 8).

The fair value of the outstanding PUs was \$4.2 million at March 31, 2026 and is recorded as a liability in the employee unit-based compensation payables (note 8). 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, 2026, January 1, 2025 and January 1, 2024
PU's outstanding	120,281
Weighted average term to expiry ..	1.8 years
Average volatility rate	20.8%
Weighted average risk free interest rate	2.8%

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

	Three Months Ended March 31,	
	2026	2025
DSUs for trustees/directors ⁽¹⁾	\$ 610	\$ 243
Restricted Unit Plan for executives and employees	2,167	1,181
Unit-based compensation expense	\$ 2,777	\$ 1,424
Fair value remeasurement expense (recovery) included in the above:		
DSUs for trustees/directors	\$ 55	\$ (274)
Restricted Unit Plan for executives and employees	241	(323)
Total fair value remeasurement expense (recovery)	\$ 296	\$ (597)

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

(b) Normal Course Issuer Bid

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

During the three month period ended March 31, 2026, there were no unit repurchases under the NCIB. During the three month period ended March 31, 2025, Granite repurchased 930,969 units at an average unit cost of \$68.30 for total consideration of \$63.6 million, excluding commissions and taxes on net repurchases of units.

(c) Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of the following:

As at March 31,	2026	2025
Foreign currency translation gains on investments in subsidiaries, net of related hedging activities and non-controlling interests	\$ 665,340	\$ 734,401
Fair value losses on derivatives designated as net investment hedges	(149,050)	(75,134)
Fair value gain on a derivative designated as a cash flow hedge	383	–
	\$ 516,673	\$ 659,267

11. RENTAL REVENUE, RECOVERIES, COSTS AND EXPENSES

(a) Rental revenue consists of:

	Three Months Ended March 31,	
	2026	2025
Base rent	\$ 132,333	\$ 124,357
Straight-line rent amortization	3,012	1,919
Property tax recoveries	19,115	16,238
Property insurance recoveries	2,262	1,662
Operating cost recoveries	9,109	9,678
	\$ 165,831	\$ 153,854

(b) Property operating costs consist of:

	Three Months Ended March 31,	
	2026	2025
Non-recoverable from tenants:		
Property taxes and utilities	\$ 1,385	\$ 1,045
Property insurance	192	278
Repairs and maintenance	570	271
Property management fees	105	99
Other	203	401
	\$ 2,455	\$ 2,094
Recoverable from tenants:		
Property taxes and utilities	\$ 20,511	\$ 17,673
Property insurance	2,115	1,778
Repairs and maintenance	4,536	5,545
Property management fees	1,697	1,584
Other	248	344
	\$ 29,107	\$ 26,924
Property operating costs	\$ 31,562	\$ 29,018

(c) General and administrative expenses consist of:

	Three Months Ended March 31,	
	2026	2025
Salaries, incentives and benefits	\$ 5,755	\$ 4,176
Audit, legal and consulting	1,167	1,108
Trustee/director fees including distributions, revaluations and expenses ⁽¹⁾	675	302
RU and PU compensation expense including distributions and revaluations ⁽¹⁾	2,167	1,181
Other public entity costs	555	446
Office rents including property taxes and common area maintenance costs	196	158
Capital tax expense	49	94
Information technology costs	699	647
Other	554	462
	\$ 11,817	\$ 8,574
Less: capitalized general and administrative expenses	(121)	(113)
	\$ 11,696	\$ 8,461

⁽¹⁾ For fair value remeasurement expense (recovery) amounts see note 10(a).

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

	Three Months Ended March 31,	
	2026	2025
Interest and amortized issuance costs relating to debentures and term loan	\$ 21,762	\$ 22,293
Amortization of deferred financing costs and other interest expense and charges	2,576	935
Interest expense related to lease obligations (note 7)	415	410
	\$ 24,753	\$ 23,638
Less: capitalized interest	(200)	(51)
	\$ 24,553	\$ 23,587

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

	Three Months Ended March 31,	
	2026	2025
Foreign exchange collar contracts, net (note 14(a))	\$ (81)	\$ (14)
Derivatives, net (note 6(c))	(6)	(69)
	\$ (87)	\$ (83)

For the three month period ended March 31, 2026, the net fair value gain on financial instruments of \$0.1 million is mainly comprised of the net fair value gain on the foreign exchange collar contracts. The Trust partially employed or did not employ hedge accounting for the derivatives and foreign exchange collars, therefore the change in fair value is recognized in fair value gains on financial instruments, net, in the condensed consolidated statement of net income.

For the three month period ended March 31, 2025, the net fair value gain on financial instruments of \$0.1 million was mainly comprised of the net fair value gain on the derivatives associated with the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap and the December 2026 Cross Currency Interest Rate Swap. The Trust partially employed or did not employ hedge accounting for the derivatives and foreign exchange collars, therefore the change in fair value was recognized in fair value gains on financial instruments, net, in the condensed consolidated statement of net income.

12. INCOME TAXES

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

	Three Months Ended March 31,	
	2026	2025
Current income tax expense	\$ 3,060	\$ 2,513
Deferred income tax expense (recovery)	9,910	(284)
Income tax expense	\$ 12,970	\$ 2,229

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

	Three Months Ended March 31,	
	2026	2025
Income before income taxes	\$ 104,358	\$ 46,092
Expected income taxes at the Canadian statutory tax rate of 26.5% (2025 - 26.5%)	\$ 27,655	\$ 12,214
Income distributed and taxable to unitholders	(13,910)	(9,411)
Net foreign rate differentials	(1,429)	140
Net change in provisions for uncertain tax positions	86	(110)
Net permanent differences	39	83
Net change in non-recognition of deferred tax assets	446	(742)
Withholding taxes and other	83	55
Income tax expense	\$ 12,970	\$ 2,229

13. DETAILS OF CASH FLOWS

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

	Three Months Ended March 31,	
	2026	2025
Straight-line rent amortization	\$ (3,012)	\$ (1,919)
Unit-based compensation expense (note 10(a))	2,777	1,424
Fair value (gains) losses on investment properties, net (note 3)	(7,314)	48,227
Depreciation and amortization	283	314
Fair value gains on financial instruments, net (note 11(e))	(87)	(83)
Loss on sale of investment properties	1,739	–
Amortization of issuance costs relating to debentures and term loans	719	863
Amortization of deferred financing costs	131	123
Deferred income tax expense (recovery) (note 12(a))	9,910	(284)
Other	(22)	(23)
	\$ 5,124	\$ 48,642

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

	Three Months Ended March 31,	
	2026	2025
Accounts receivable	\$ (3,026)	\$ 7,482
Prepaid expenses and other	(2,103)	(2,103)
Accounts payable and accrued liabilities	(10,758)	(11,759)
Deferred revenue	(640)	5,584
	\$ (16,527)	\$ (796)

(c) Non-cash investing and financing activities

For the three month period ended March 31, 2026, 44 thousand units (2025 – 24 thousand units) with a value of \$3.9 million (2025 – \$1.6 million) were issued under the Restricted Unit Plan (note 10(a)) and are not recorded in the condensed consolidated statements of cash flows.

In addition, for the three month period ended March 31, 2026, the total impact from the foreign currency translations increasing unsecured debt and related derivatives by \$0.5 million is not recorded in the condensed consolidated statement of cash flows. For the three month period ended March 31, 2025, the total impact from the foreign currency translations increasing unsecured debt and related derivatives by \$3.7 million was not recorded in the condensed consolidated statement of cash flows.

(d) Cash and cash equivalents consist of:

As at		March 31, 2026	December 31, 2025
Cash	\$	94,215	\$ 62,537
Short-term deposits		–	77,054
	\$	94,215	\$ 139,591

14. 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 March 31, 2026 and December 31, 2025:

As at	March 31, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Other assets	\$ 169 ⁽¹⁾	\$ 169	\$ 209 ⁽¹⁾	\$ 209
Derivatives	13,022 ⁽²⁾	13,022	8,226	8,226
Accounts receivable	11,960	11,960	8,775	8,775
Cash and cash equivalents	94,215	94,215	139,591	139,591
	\$ 119,366	\$ 119,366	\$ 156,801	\$ 156,801
Financial liabilities				
Unsecured debentures, net	\$2,991,915 ⁽³⁾	\$2,968,788	\$ 2,991,204 ⁽³⁾	\$ 2,984,780
Unsecured term loan, net	–	–	80,404	80,404
Unsecured revolving credit facility	81,508	81,508	205,000	205,000
Derivatives	121,992 ⁽⁴⁾	121,992	119,070 ⁽⁴⁾	119,070
Accounts payable and accrued liabilities	134,295 ⁽⁵⁾	134,295	130,612 ⁽⁵⁾	130,612
Distributions payable	17,930	17,930	17,918	17,918
	\$3,347,640	\$3,324,513	\$ 3,544,208	\$ 3,537,784

⁽¹⁾ Long-term receivables included in other assets (note 5).

⁽²⁾ Balance includes current and non-current portions of derivative assets (note 6(c)).

⁽³⁾ Balance includes current and non-current portions of unsecured debentures (note 6(b)).

⁽⁴⁾ Balance includes current and non-current portions of derivative liabilities (note 6(c)).

⁽⁵⁾ As at March 31, 2026, foreign exchange collars of \$0.2 million (December 31, 2025 - \$0.3 million) included in accounts payable and accrued liabilities (note 8).

The fair values of the Trust's accounts receivable, cash and cash equivalents, accounts payable and accrued liabilities and distributions payable approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments. The fair value of the long-term receivable included in other assets approximates its carrying amount as the receivable bears interest at rates comparable to current market rates. The fair values of the unsecured debentures are determined using quoted market prices. The fair values of the Credit Facility and term loan approximate their carrying amounts as the Credit Facility and term loan 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 enters into foreign exchange collars to hedge specific anticipated foreign currency transactions and to mitigate its foreign exchange exposure on its net cash flows. At March 31, 2026, the Trust held 24 outstanding foreign exchange collar contracts (December 31, 2025 – nil) with a notional value of US\$96.0 million (December 31, 2025 – nil) which contract the Trust to sell US dollars and receive Canadian dollars if specific US dollar exchange rates relative to the Canadian dollar are met. At March 31, 2026, the Trust also held 24 outstanding foreign exchange collar contracts (December 31, 2025 – 30) with a notional value of €39.0 million (December 31, 2025 – €48.0 million) which contract the Trust to sell Euros and receive Canadian dollars if specific Euro exchange rates relative to the Canadian dollar are met. For the three month period ended March 31, 2026, the Trust recorded a net fair value gain of \$0.1 million (2025 – net fair value gain of less than \$0.1 million) related to the outstanding foreign exchange collar contracts (note 11(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 March 31, 2026	Level 1	Level 2	Level 3
ASSETS AND LIABILITIES MEASURED OR DISCLOSED AT FAIR VALUE			
Assets measured at fair value			
Investment properties (note 3)	\$ —	\$ —	\$ 9,474,797
Assets held for sale (note 4)	—	—	57,672
Derivatives (note 6)	—	13,022	—
Liabilities measured or disclosed at fair value			
Unsecured debentures, net (note 6)	2,968,788	—	—
Unsecured revolving credit facility (note 6)	—	81,508	—
Foreign exchange collars included in accounts payable and accrued liabilities (note 8)	—	214	—
Derivatives (note 6)	—	121,992	—
Net (liabilities) assets measured or disclosed at fair value	\$ (2,968,788)	\$ (190,692)	\$ 9,532,469

As at December 31, 2025	Level 1	Level 2	Level 3
ASSETS AND LIABILITIES MEASURED OR DISCLOSED AT FAIR VALUE			
Assets measured at fair value			
Investment properties (note 3)	\$ —	\$ —	\$ 9,478,449
Assets held for sale (note 4)	—	—	81,026
Derivatives (note 6)	—	8,226	—
Liabilities measured or disclosed at fair value			
Unsecured debentures, net (note 6)	2,984,780	—	—
Unsecured term loan, net (note 6)	—	80,404	—
Unsecured revolving credit facility (note 6)	—	205,000	—
Foreign exchange collars included in accounts payable and accrued liabilities (note 8)	—	295	—
Derivatives (note 6)	—	119,070	—
Net (liabilities) assets measured or disclosed at fair value	\$ (2,984,780)	\$ (396,543)	\$ 9,559,475

For assets and liabilities that are measured at fair value on a recurring basis, the Trust determines whether transfers between the levels of the fair value hierarchy have occurred by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the three month period ended March 31, 2026 and the year ended December 31, 2025, there were no transfers between the levels.

(c) Risk Management

Foreign exchange risk

As at March 31, 2026, 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 March 31, 2026, the Trust's foreign currency denominated net assets are \$6.8 billion primarily in US dollars and Euros. A 1% change in the US dollar and Euro exchange rates relative to the Canadian dollar would result in a gain or loss of approximately \$45.8 million and \$21.4 million, respectively, to comprehensive income.

15. COMMITMENTS AND CONTINGENCIES

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

(b) As at March 31, 2026, the Trust's contractual commitments totaled \$38.9 million which are primarily comprised of costs to complete its ongoing construction and development projects.

(c) In connection with the acquisition of an investment property located in Locust Grove, Georgia on March 12, 2021, \$58.8 million (US\$42.1 million) of bonds were assumed. The authorized amount of the bonds is \$68.4 million (US\$49.0 million), of which \$20.5 million (US\$14.7 million) was outstanding as at March 31, 2026. The bonds provide for a real estate tax abatement for the acquired investment property. Through a series of transactions, the Trust is both the bondholder and the obligor of the bonds. Therefore, in accordance with IAS 32, the bonds are not recorded in the condensed consolidated balance sheets.

In connection with the acquisition of an investment property located in Palmetto, Georgia on November 12, 2020, \$74.8 million (US\$55.0 million) of bonds were assumed. The bonds provide for a real estate tax abatement for the acquired investment property. Through a series of transactions, the Trust is both the bondholder and the obligor of the bonds. Therefore, in accordance with IAS 32, the bonds are not recorded in the condensed consolidated balance sheets. In conjunction with the disposal of the investment property on March 11, 2026 (note 4), the related bonds were assigned to the buyer. As a result, the Trust is no longer the bondholder and the obligor of the bonds.

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

16. SUBSEQUENT EVENTS

(a) Subsequent to March 31, 2026, the Trust declared distributions for April 2026 of \$17.9 million or \$0.2958 per unit (note 9).

(b) Subsequent to March 31, 2026, Granite issued 65,100 units under the at-the-market equity distribution program (the "ATM Program") at an average unit price of \$93.67 for gross proceeds of \$6.1 million excluding issuance costs. The ATM Program allows Granite to issue and sell up to \$250 million of units from treasury to the public from time to time, at Granite's discretion, at the prevailing market price, when issued on the TSX or any other existing trading market for the units in Canada.

Board of Trustees

Kelly Marshall
Chairman

Peter Aghar
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Robert D. Brouwer
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Fern Grodner
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Trustee

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Trustee

Officers

Kevan Gorrie
President and Chief Executive Officer

Teresa Neto
Chief Financial Officer

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

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

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

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Teresa Neto
Chief Financial Officer
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Transfer Agents and Registrars

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United States
Odyssey Transfer and Trust Company
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Woodbury, Minnesota, USA 55125

Exchange Listings

Units Toronto Stock Exchange (GRT.UN)

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

Publicly Available Documents

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

GRANITE
REIT



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